Urban

Suburban

Rural

Reinvest Maryland 2.0

A Toolkit for Assisting Maryland's Counties, Towns, and Communities to Accelerate Infill, Redevelopment and Revitalization

Reinvest Maryland Toolkit

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A Guide to Accelerating Infill, Redevelopment and Community Revitalization

Reinvest Maryland represents an opportunity for all levels of government to work together, strengthen collaborative efforts to support revitalization and reinvestment, and to engage stakeholders of all types in the effort to rebuild our communities and improve quality of life.

This report, led by the Maryland Sustainable Growth Commission, examines redevelopment in Maryland and focuses on tools, case studies, and best practices to support greater infill, redevelopment, and community revitalization across Maryland.

This document will be used by the Commission as a blueprint for the ongoing work plan.

This effort builds upon the original Reinvest Maryland report completed in 2014 and expands it as a "toolkit" designed to encourage and ensure local communities to consider redevelopment projects in partnership with the private sector that are supported by public programs and resources.

How to Use This Toolkit

The Reinvest Maryland toolkit is intended to be a hands-on document for the public, local governments, businesses, and other stakeholders. Each section addresses a set of redevelopment and reinvestment barriers and concerns and cites examples of projects (and community best practices) in which one or more of the Reinvest Maryland approaches have been used and applied.

Case studies, resources, and tools are included in each chapter and are contained in coded text boxes, to illustrate how these approaches can be applied and show where they have worked well. The toolkit will be revised and expanded as more communities use these tools and share their experiences and lessons learned.

Redevelopment at Different Scales

The process of redevelopment functions in a similar manner across Maryland and the nation. However, the tools, programs, and practices vary depending upon whether in an urban area, a suburban community or a rural town or village. Consequently, we have organized best practices, tools, programs, and examples based on the most applicable scales for that type of area. The examples are coded by urban, suburban, and rural, or a combination of these, based on their application.

State and Local Resources and Tools

The tools and resources in this toolkit are based on whether they operate and/or are available at the state and/or local level. For purposes of this document, resources are programs and funding platforms that provide funding and services that support reinvestment initiatives, and tools are approaches that local governments and other stakeholders can use to implement plans and projects.

How Toolkit Examples Apply at Different Scales

The case studies, tools, and resources identified in the Reinvest Maryland document can apply at different scales: urban, suburban, and rural. We have color coded these examples in this document for your reference. Each pull-out box also contains hashtags for the types of tools and resources that these examples represent. A complete set of tools will be included on the Reinvest Maryland website that will roll-out in 2018

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Section 1: Promoting Reinvestment

Maryland's sustainable growth efforts must focus on making wise use of the state's finite land, irreplaceable natural resources, and competing fiscal needs. As stewards for future generations, we must minimize the loss of precious farms and forests, and prioritize reinvestment in our existing communities.

Under the banner of Reinvest Maryland, this report makes recommendations for investment in Maryland's communities and illustrates these measures through community profiles, best practices, a summary of state programs, and the tools needed to implement them.

Maryland is often called "America in Miniature" because of the diversity of our people, our landscape, our environment, and our communities. From Western Maryland to Ocean City, Marylanders enjoy an enviable quality of life. However, Maryland is the fifth-most densely populated state in the nation and is projected to grow by another one million people, with approximately 700,000 new jobs, over the next 30 years. This growth will require that we grow smarter to maintain our high quality of life, support vibrant communities, provide for sufficient farm and forest land, and sustain healthy streams, rivers, and the Chesapeake and Coastal Bays.

Analysis of land use and zoning shows that Maryland has an adequate supply of land to accommodate this projected growth within Priority Funding Areas — a geographic designation established by the 1997 Priority Funding Areas Act that indicates areas targeted for state funding of growth-related infrastructure. This conservative estimate does not account for many of the infill and redevelopment opportunities within already developed areas. However, not all the available land within Priority Funding Areas are equally well-situated as certain PFAs and their requisite Growth Areas benefit from a stronger market and consumer demand.

In the past 10 years, approximately 75 percent of residential units built in Maryland were in Priority Funding Areas. The share of homes built in these areas has also increased slightly over the past few years.

Not only is reinvestment economically and environmentally responsible, a strong market is critical to future success. Demand for more compact, walkable communities is rising, fueled by a well-documented movement back to towns, older suburbs, and cities.

Consistent with this trend, over the last five years, 70 percent of Maryland's population growth has occurred in the inner suburban counties of Anne Arundel, Baltimore, Montgomery, and Prince George's and in Baltimore City. On the Eastern Shore and in Western Maryland, some of the most vibrant, walkable communities, including Cambridge, Easton, Hagerstown, and Salisbury, have maintained or increased their population. The state has also experienced a shift to more multi-family housing. From 2011 through 2015, 39 percent of new housing units were apartments and condos, compared to 23 percent in the three years before the recession.

Reinvestment is encouraged by Maryland law and policy, furthering the state's 12 Planning Visions enacted into law in 2009.

Yet, despite these compelling economic and environmental reasons, and the presence of a growing market, reinvestment is difficult to achieve. Financial, regulatory, and policy barriers make redevelopment more challenging than greenfield development. Accelerating reinvestment in Maryland's existing communities will not happen without a deliberate effort.

The recommendations in this report are intended to improve the caliber of Maryland's infill, redevelopment, and revitalization efforts, which the Commission has defined as:

- **Infill** – the development of vacant parcels within previously built areas.
- **Redevelopment** – building or rebuilding on parcels that have been previously developed, with redevelopment aiming for a higher and better use of the area for the community.

Priority Funding Areas (PFAs)

Established by 1997 legislation, these areas mostly coincide with local governments' growth areas, which are also areas with sewer service. Development patterns in PFAs range from urban areas to small towns and suburban-scale residential development. It is also worth noting that 37% of the state's PFA land area is of low density or undeveloped land uses.

Sustainable Communities (SCs)

Established in 2010, local governments designate these areas, which are reviewed and mapped by the state. As of June 2017, 105 Sustainable Communities have been designated in Maryland.

- **Revitalization** – instilling new life and vitality into a community through infill and redevelopment or other activities, such as building reuse and renovations, façade improvements, beautification efforts, small business loans, and special events.

Reinvestment through infill, redevelopment, and revitalization is needed within cities, suburbs, and rural towns, in municipalities, and in unincorporated locations. Local considerations will influence the look, feel, and scale of specific projects, which can range from the rehabilitation and reuse of a single building to projects encompassing many acres or blocks.

The 2010 report, *Sustainable Maryland: Accelerating Investment in the Revitalization of Maryland's Neighborhoods,* identified three elements to revitalization that, when paired with state and local investment, can produce intended results:

- a specific local target area,
- a comprehensive, multi-year investment strategy and plan, and
- strong local leadership that remains focused on implementing the plan.

The General Assembly approved the Sustainable Communities Act of 2010 with substantial support from state agencies and local stakeholders. It called for a new collaborative approach to planning for and investing in revitalization, which has been implemented as the *Sustainable Communities* program. State and local governments share responsibility for facilitating reinvestment in Maryland communities. Local governments establish and implement land use policy with guidance from state standards. The state and local governments collaborate on the designation of Priority Funding Areas and Sustainable Communities, which are targeted for growth and revitalization. In addition to supporting reinvestment through effective land use planning, state and local governments also share the responsibility for targeting resources to reinvestment areas, and encouraging and incentivizing the private sector to invest resources.

Establishing a Vision for Reinvestment

Communities will only attract more infill and redevelopment when there is a clear vision, articulated consistently and broadly, and supported by resources over the long term. State and local governments are committed to these types of projects before they invest their own resources.

Accordingly, there is a significant need to educate the public, elected officials, and decision-makers about the benefits of infill, redevelopment, and revitalization. Additional critical factors include: market dynamics; financial benefits of compact, mixed-use development; and the role of small businesses in community revitalization. These stakeholders play crucial roles in the development process but not all may have the substantial experience needed to understand market dynamics, project finance, or design techniques. Their actions, however, directly influence the number, pace, and outcome of the infill, redevelopment, and revitalization projects in their communities.

Practitioners need accurate and timely information about best practices and funding opportunities, as well as education and expertise on how to assemble and combine sources of funding to make a project work.

The public sector often lacks the capacity to manage complex and large-scale projects, including those that are publicly led as well as private initiatives that require public support. Many jurisdictions need staff with specific expertise (in areas such as design and deal negotiation), or, at a minimum, training in areas such as financing, affordable housing, and sustainability. Smaller jurisdictions often need technical assistance with planning and help with developing a vision for redevelopment. In some communities, the private and nonprofit community development sectors struggle to find experts with relevant design and real estate development skills to work on redevelopment initiatives.

Berlin: Downtown Redevelopment Boosts Town

Berlin business owners and town leaders undertook a deliberate strategy of reinvestment and economic development to reverse a decline in its agricultural base and flight of businesses from the downtown. The charming town, with quaint streets lined by Victorian-era homes and one-of-a-kind businesses, exudes appeal. The town's permanent population of 4,500 swells during the summer with beach traffic and throughout the year for a series of popular events and festivals: including the Fiddler's Convention, Victorian Christmas, High Heels Race, and Bathtub Race. In early 2014, Berlin was named America's Coolest Small Town in a national contest and a top 10 finalist for the Great American Main Street Award for 2017 and 2018 reversing the town's decline with the business community. In the 1980s, a group of business owners pooled funds to renovate the Atlantic Hotel and its revival sparked a domino effect along Main Street. Other store owners began to invest in the town and businesses opened. Town leaders decided to invest, too, hiring a part-time economic development director to take a strategic look at how to put Berlin back on the map. Town leaders sought and won grant money, conducted an analysis of the town's assets and weaknesses, and worked with business owners to promote the town collectively and organize events.

To further encourage the right kind of growth, officials invigorated Berlin's downtown by encouraging property owners to mix uses — establishing dwellings above first-floor commercial uses — and creating the zoning to allow it. Maryland Arts and Entertainment District and Maryland Main Street designations helped promote the growing arts community.

State programs such as the Community Legacy program boosted sidewalk appeal with façade improvements and helped fund the conversion of downtown warehouses into office/retail uses. The plethora of programs funded projects that rejuvenated pride in downtown thanks to storefront facelifts and sidewalks lined with hanging flower pots.

Berlin's location in Worcester County, which embraces farming with some of Maryland's most effective preservation policies, gives it access to a bounty of farm goods that boosts the draw of its weekly farmer's market. Berlin also is home to a full-production brewery that uses locally grown hops and other ingredients.

Encouraging Excellence in Community Design and Preservation

While encouraging redevelopment, the state also needs to collaborate with local jurisdictions to preserve community character and historic assets and help ensure that new development and investment is well integrated into the community fabric. This collaboration can put in place tools that encourage and incentivize walkable, mixed-use development that expands upon each community's existing assets and reinforces their distinctive local identity.

Good design can help to achieve many redevelopment goals, including the creation of vibrant public spaces, the promotion of economic development, and preservation of a sense of place and historic character. This can be done by supporting more pedestrian activity and thus healthier lifestyles. Good design includes the use of greenways, corridors, and trails to connect schools, residential areas, and public buildings. The accommodation of infill, redevelopment, and revitalization in a manner that is functional, attractive, and environmentally responsible are all critical to success.

High quality design is often essential to ensuring public support for a project. Because most redevelopment projects are built in densely-populated areas, infill, redevelopment, and revitalization projects often face vocal opposition. People particularly object when projects increase density, change traffic patterns, establish new transportation connections, or introduce new housing types or uses – often the very elements that make these projects both popular and financially successful after they are built. Good design can help overcome some, if not all, of these objections.

Good design is also needed to realize the benefits and desirable characteristics of density, which can be done through design elements that enhance walkability, support transit service, increase the vitality of an area through a mix of uses and promote a synergy between a project and local business districts. If designed correctly, design improvements can strengthen business districts as attractive places bringing out more residents to shop and spend money in their neighborhoods.

Reinvestment also provides opportunities to improve quality of life through the conversion of vacant, blighted properties into quality development, well-designed

Edmonston: Complete Streets In Flood Prone Area

With a low elevation and a location straddling the Anacostia River, the Town of Edmonston in Prince George's County is prone to flooding. Floods have been catastrophic to the small town, destroying homes and, in one storm, impacting more than 50 properties. Some people lost everything they owned.

Town officials needed to address the flooding. After learning that stormwater runoff was the primary culprit, they undertook an ambitious effort to reconceive Edmonston's main street, Decatur Street, with cutting-edge environmental practices. Given that Decatur Street was approaching a maintenance milestone and needed re-engineering, it was a perfect time to reconceive of how it would be rebuilt. With a $30,000 grant from the Chesapeake Bay Trust (CBT), the town contracted with the Low Impact Development Center in Beltsville and received guidance from the University of Maryland School of Architecture to plan a complete street to manage stormwater and create a more inviting and safer throughway for pedestrians and cyclists. The fledgling Complete Streets movement calls for reconstructing streets to expand beyond their traditional vehicular focus, including access to transit as well as those on foot or bikes. When the design was complete, the town applied for a grant under a federal stimulus program seeking shovel-ready projects. The small town of Edmonston landed a $1.1 million federal grant.

The Decatur Street renovation, completed in 2009, includes tree canopy, an underground stormwater system and vegetated bump-outs to slow traffic. The vegetation contains natural species planted as rain gardens to absorb and slow runoff. Educational signs introduce various complete street features to visitors.

public open spaces that better manage stormwater, or widened sidewalks to accommodate pedestrians and sidewalk cafes. Examples abound of design improvements that have improved quality of life, from façade improvements in retail districts to new development that improves connections between neighborhoods.

Many places face physical barriers that require creative solutions for infill, redevelopment, and revitalization, including:

- An area targeted for revitalization may be disconnected from more vibrant districts and community anchors;
- A highway or railroad track may divide areas that need better connections to thrive;
- Small parcels, below-grade infrastructure and complicated intersections may impede redevelopment; or
- Site and design needs of national retailers may make it difficult to attract these tenants in areas that cannot accommodate them.

Local governments regulate several aspects of design through zoning requirements including building form (features and configuration), architecture, signs, environmental resources, and landscaping. In recent years, several jurisdictions have turned to form-based codes, which focus more on physical form and less on regulating land uses, to achieve higher-quality design outcomes.

Dundalk: Market Boost and the Baltimore Regional Neighborhood Initiative

The Dundalk Renaissance Corporation (DRC) has used funding from the Baltimore Regional Neighborhood Initiative (BRNI) to fund a variety of initiatives, including a Market Boost program designed to increase the number of renovated homes in the east-side Baltimore County community.

The program offers subsidies to investors who are completing renovations on houses slated for homeownership. In addition to increasing the inventory of renovated properties for sale, the program aims to boost home equity for current residents, increase home sale prices in the community encouraging additional renovations, and create a larger inventory of comparables for renovated homes.

DRC had been supporting larger renovations by leveraging funds from the U.S. Department of Housing and Urban Development. As the availability of those funds waned, DRC created the Market Boost program to work with smaller rehabbers and developers on quality projects that increase the curb appeal of houses, streets, and neighborhoods.

DRC used $467,000 in BRNI funds to launch the program in 2014. Once a project is identified but often before it is under contract, the developer contacts DRC and submits a rough budget and scope. DRC then submits the project to the Maryland Historic Trust for review. Once that is completed, the project begins and DRC inspects it at the end to make sure the work was done well. At the end, the developer submits the sales contract, confirms that he or she has made a seller contribution of $5,000 or more, and Market Boost will provide a subsidy of approximately $20,000, depending on the project.

Within the first 18 months, nine renovations were completed and the program continues to grow.

DRC helps to market the projects through its website and social media, to demonstrate to the community and the market that coordinated redevelopment is happening in Dundalk. That helps to support DRC's wider revitalization efforts, according to Amy Menzer, DRC's executive director.

In addition to the Market Boost program, BRNI has supported creative community development and revitalization projects in Baltimore County and across the greater Baltimore Region. The BRNI program aims to demonstrate how strategic investment in local housing and businesses can lead to healthy, sustainable communities with a growing tax base and enhanced quality of life. The program attempts to focus on areas where modest investment and a coordinated strategy will have an appreciable neighborhood revitalization impact.

Baltimore City: Centre Theatre Redevelopment Anchors North Avenue Corridor

For more than two decades, the Centre Theatre stood vacant along North Avenue in Baltimore, its signature marquee and tower crumbling and a large hole in the roof threatening to lead to demolition by neglect.

A multi-year and multi-faceted effort by Jubilee Baltimore Inc., a nonprofit developer, and its partners led to a $19 million renovation project that culminated in the building's reopening in 2015 as an arts and innovation center anchoring the Station North Arts & Entertainment District.

Restoring this critical landmark in the nation's first special taxing district designed to support the arts was met with unanticipated funding challenges and requirements. Jubilee overcame these obstacles by using a variety of equity sources, including state and federal historic tax credits and seven sources of grant funding.

The Central Baltimore Partnership (CBP), a coalition of three anchor institutions, including Johns Hopkins University, the Maryland Institute College of Art (MICA), and the University of Baltimore, and other neighborhood, nonprofit, and philanthropic partners, chose Jubilee to redevelop the building. These partners provided small loans so that Jubilee could acquire the property at auction.

The State of Maryland also provided the project with a major boost by awarding half of its annual historic tax credit allocation to the project. Then, Hopkins and MICA created a joint film program and selected the Centre Theatre to house it.

Having secured $3 million in state historic tax credits and a major tenant, Jubilee needed a federal historic tax credit investor and Community Development Entities (CDE) to provide support. Jubilee's goal was to leverage the security of the long-term university lease to make the rest of the building available to nonprofits, artists, and a local farm-to-table restaurant.

The Reinvestment Fund (TRF), based in Philadelphia, had previously made an investment in the Station North neighborhood and expanded its support through a $6 million commitment to the project. TRF reached out to additional funders and secured an additional $7.5 million.

After working through a variety of additional funding challenges, Jubilee was able to secure an additional $1 million in gap funding from the State of Maryland, along with additional grants from Hopkins and MICA, to place the federal historic tax credits with Chase Bank.

Rich in history, the building was built in 1912 as a garage and converted into an art deco movie theater in 1939 as part of a booming arts and entertainment district that emerged along North Avenue, home to several historic theaters that flourished until the 1960s.

The fully restored building, with its iconic theater façade and signature art deco marquee and tower, anchors the now-thriving arts district. The Centre is now home to the Baltimore Jewelry Center, Sparkypants Studios, The Impact Hub, and The Center for Neighborhoods, a collaborative work space for nonprofits that serve Baltimore neighborhoods.

Sowing Seeds of Reinvestment throughout Maryland

The state should strive to ensure that residents live in healthy, vibrant mixed-tenure communities with good schools and a range of housing, employment, and transportation options, regardless of income, race, or region.

One of the goals of the state is to ensure that residents live in healthy, vibrant, mixed-use communities with good schools and a range of housing, employment, and transportation options, regardless of income, race, or location.

Jurisdictions with good schools, lower rates of crime, access to jobs, and a good quality of life often attract reinvestment but can struggle to maintain economic diversity among residents.

Communities with strong markets often lack affordable housing. According to a housing market report prepared by the Department of Housing and Community Development's (Housing) Office of Research, "Maryland continues to experience an acute shortage of workforce affordable rental housing for families, seniors and individuals with disabilities in Maryland."

In many communities, people are concerned about numerous quality of life considerations, including crime, jobs, education, the concentration of social services, a disproportionate number of affordable housing units, an insufficient supply of housing to attract middle-income residents, poor housing quality, property maintenance, vacant buildings, absentee landlords, nuisance tenants, and access to good parks, shopping, and services. Addressing these issues effectively will help make these communities better places to live.

Section 2: Regulatory Reform and Streamlining

One of the most significant challenges to reinvestment is the project review process. The content and administration of zoning regulations and development policies can function as hindrances to individual projects as local officials examine project elements and ensure that all technical requirements are met.

Projects, especially complex ones, require communication between the applicant and local officials. Lack of coordination among and within government agencies can slow down projects, as can the duration of agency reviews. Although most local development review processes have established meeting schedules, deadlines, submission requirements and stipulated review periods, changes to a project or questions about particular elements can extend the process and add cost to the project.

The development and code review process may lack flexibility and, in some instances, may be confusing. Inconsistency in the application and interpretation of regulations can occur among different projects and reviewers, as well as over the life of a project. Conflicts among building codes are not uncommon, and business licenses and fees can be redundant.

Adequate public facilities ordinances (APFOs) and impact fees are designed to ensure the public is well-served by infrastructure and public services.

Sometimes, however, these ordinances can have the unintended consequence of stalling growth in areas designated for growth. In jurisdictions with adequate public facilities ordinances, projects can be delayed if adequate facilities do not exist and funding is not available. If there is no strategic

Baltimore City: Neighborhoods Experience a Renaissance

The Charles North, Greenmount West and Barclay neighborhoods are experiencing a renaissance in the heart of Baltimore, demonstrating that the city's appeal extends well beyond the Inner Harbor. These neighborhoods are benefiting from a growing demand and appreciation for walkability, transit access, diversity, historic architecture, the presence of universities, and a thriving arts scene.

Envisioned as exciting and economically diverse places, these neighborhoods have room to accommodate more density and population. Two community plans, the June 2005 Barclay-Midway-Old Goucher plan and the December 2010 Greenmount West Master Plan, reflect public support for population growth, residential construction and homeownership, the intermingling of market rate and affordable housing, and continued ethnic, racial, and lifestyle diversity.

Residents and community leaders recognize the value of this diversity and want to maintain it. Station North holds great promise as a model for a gentrified neighborhood with a healthy mix of residents from different racial, ethnic, and socioeconomic backgrounds, as well as new and long-time residents.

A broad array of individuals and organizations are working together to carry out this vision. Both neighborhoods are within the boundaries of the Central Baltimore Partnership (CBP), a coalition of neighborhood, private, public, and institutional interests that are implementing a comprehensive community development strategy. CBP helps bring greater resources and attention to the area. With its full calendar of events, including the internationally-recognized Open Walls festival of street art, Community Supported Art program, the Station North Arts and Entertainment District is carrying out an arts-based revitalization strategy to attract residents and businesses to the area.

Companies working to redevelop the area include Telesis, EVI Investments, Stuart Alexander and Associates, The Reinvestment Fund, Homes for America, and Jubilee Baltimore. The Maryland Institute College of Art is expanding along North Avenue; Johns Hopkins University is a partner in several development projects and contributes financially to revitalization efforts; and the University of Baltimore's nearby expansion is spilling over into the neighborhood.

Baltimore City has supported these revitalization efforts with zoning changes and a new urban renewal plan that allows for higher density, coupled with design review and investments in streetscaping, parks, and bike lanes, increased code enforcement, and creating opportunities for redevelopment by selling land to developers.

Despite these positive changes and a clear demand for housing, it remains more expensive to renovate or build than many properties are worth. Moreover, the developers, contractors and design-build contractors in these neighborhoods tend to be smaller companies or individuals with less capacity to hold onto properties until they appreciate to realize a financial return on their investment. Thus, public resources are still necessary to fill the gap.

effort to develop practical solutions, entire projects or development opportunities may invest elsewhere.

Regulations also can increase costs, delay construction, and reduce future revenue, or deter businesses from opening, renovating, or expanding on site. Alternatively, well-thought-out regulations can incentivize infill, redevelopment, and revitalization.

State and local governments ensure that regulations and policies facilitate reinvestment through infill, redevelopment, and revitalization, while protecting public health, safety, and the environment. Standards and regulations pertaining to stormwater management, forest conservation, energy, historic preservation, and roadway access can add challenges to redevelopment projects.

Fee structures generally do not reflect differences in market conditions. Payments that may not present a burden in strong markets can be insurmountable in soft markets. Many fees are fixed and do not adjust based on a project's specific impact. As an example, a one-bedroom apartment's effect on schools, water and sewer, transportation, and municipal waste service is typically not as significant as a four-bedroom single-family home.

Hagerstown: City Leaders Accelerate Downtown Redevelopment

The City of Hagerstown boasts a largely intact National Register Historic District made up of a compact mix of residential, mixed-use, and commercial buildings built along a street grid with wide sidewalks and a public square. The city aims to increase infill and redevelopment and to support revitalization by focusing on arts, entertainment, education, and culture; building on anchors such as the Barbara Ingram School for the Arts, the Maryland Theatre, the Washington County Free Library, the University System of Maryland at Hagerstown (USMH), and the Washington County Museum of Fine Arts; and attracting technology businesses and residents with disposable income.

City leaders are taking a proactive approach to accelerate the City Center renaissance. As one part in that effort, the district has been designated a state Arts & Entertainment District, which provides financial incentives and cross-promotion opportunities. The city also developed new financial incentives, enacted regulations for rental residential units and vacant buildings, and hired a consultant to prepare a market analysis of Hagerstown's Sustainable Community Plan.

The consultant identified potential catalytic projects to implement the Community's City Center Plan. This plan outlines strategies to implement several high impact development projects intended to bring added vitality to Hagerstown, including student housing, an office project, expansion of the Maryland Theatre, a hotel/conference center, new housing units (both rehabs and new construction, and a trail to link City Park and the Washington County Museum of Fine Arts.

The city is actively pursuing development projects, using Community Legacy funds to assist with the acquisition and rehabilitation of a North Potomac Street building into four artist lofts and a restaurant with an art gallery. City staff also used Community Legacy funds to assist with three other adaptive reuse or prep-for-resale projects on Washington Street. Building upon the success of USMH, the city leased space to the school for more classrooms and built University Plaza, the site of small concerts and events.

Financial incentives include Enterprise Zone tax credits, a revolving loan fund, façade programs, Arts & Entertainment tax incentives, and a grant program designed to inspire renovation and reuse of existing buildings.

Some private sector developers have taken advantage of the city's investments and strong incentives. The city used Maryland Heritage Area Program funds to assist with the establishment of a sidewalk café district on Potomac Street in the heart of the A&E District. New, wider sidewalks complemented a private development that included a ground floor restaurant and retail space, upper-story offices, and a residential loft. Other restaurants have opened to create sidewalk dining along North and South Potomac streets, enriching pedestrian activity.

Section 3: Financing Tools and Programs

State and local governments can prioritize reinvestment as part of their capital and operating budgets. Faced with increasingly scarce resources to support development, the public sector must make choices. These decisions can either facilitate or slow efforts to attract infill, redevelopment, and revitalization.

In some jurisdictions, public sector actions can inadvertently continue to subsidize greenfield development at the expense of reinvestment, by investing in new infrastructure or offering financial incentives for development outside of the reinvestment area. In other cases, reinvestment and redevelopment areas are often regulated as they are in greenfield areas, without the benefit of relaxed standards, reduced fees, or other streamlined procedural incentives, effectively steering development to areas that are the less costly and easiest to implement.

Many jurisdictions need to upgrade the capacity or quality of their infrastructure to attract infill, redevelopment, and revitalization. Due to aging infrastructure, municipal permitting fees, stormwater improvement and retrofit needs, water/sewer pipe capacity inadequacies, and other challenges with infill development, the cost of development is significantly higher in municipalities and unincorporated older communities.

In Housing's most recent Sustainable Communities trends assessment, 94 percent of designated Sustainable Communities identified aging infrastructure as a challenge to becoming more sustainable. Though most jurisdictions struggle to pay for infrastructure, some fiscally-constrained jurisdictions also have trouble financing the bare minimum of services. In many areas, the tax base is already overburdened. In the past, some service area expansions occurred without a full appreciation for land use and financial impacts, and local jurisdictions now work to address these impacts.

In addition to the expense of infrastructure upgrades, the level of investment necessary to rehabilitate existing buildings or redevelop existing sites is often greater than development on greenfield sites and can make infill and redevelopment cost-prohibitive. While developers may overcome these barriers in stronger markets, the cost premium still factors into a developer's decision-making process, regardless of market strength.

Allegany County: Trails Helping to Maximize Economic Potential

The Trail Town Program is an economic development and community revitalization initiative in towns along the Great Allegheny Passage (GAP) to maximize the economic potential of the trail through a collaborative, trail-wide partnership. The Certified Trail Friendly program builds on the Trail Town Program by strengthening the link between recreational users and local businesses, injecting new life into the western Maryland towns of Cumberland and Frostburg. Developed by the Maryland Department of Planning (Planning), the Certified Trail Friendly program is a business certification program that acts as a seal of approval to trail users on the Maryland portion of the trail.

These trail programs connect the Great Allegheny Passage (GAP), which stretches from Pittsburgh to Cumberland, to downtown areas. Their most positive contribution is the economic spin-off benefits realized in Appalachian communities that have experienced population loss and economic decline.

The Certified Trail Friendly Program builds on trailside community assets by strengthening links between retail establishments and GAP Trail users. The result: increased profitability of participating business and an improved experience for trail users, who number in the tens of thousands.

In 2009, Planning obtained a grant from the Appalachian Regional Commission to expand the Trail Town initiative to the Western Maryland communities of Cumberland and Frostburg. Not only did the project allow Planning to coordinate physical improvements and wayfaring between Cumberland and the Mason Dixon Line, but it also helped create the Certified Trail Friendly program, a business certification program that assists local businesses that cater to trail users by encouraging trail cyclists and hikers to patronize them. The marketing program now includes 18 local businesses

At the same time, investments from the Department of Transportation (MDOT) also made critical improvements to the trails themselves, and improved the connections of these trails into the downtown areas of both Frostburg and Cumberland.

Baltimore City: Helping Underdeveloped Neighborhoods

Every city and town can point to established but undervalued neighborhoods that, with creative strategies, could bolster their market values. Few places, however, have access to programs and resources designed specifically for so-called middle markets, where working class people form strong bonds and want to build a future, but where property values lag and the community's image needs a boost. Strategic investments in those neighborhoods can generate a big return.

Forged from that philosophy, Healthy Neighborhoods, Inc. (HNI) is a nonprofit organization that works in 14 neighborhoods throughout Baltimore City. HNI provides resources for people to purchase and renovate their homes, seek professional advice for rehabbers, receive support for community projects that project a positive image, and provide assistance with neighborhood marketing.

Each Healthy Neighborhood has target blocks, where potential homebuyers can access below-market loans to purchase and renovate homes. Elsewhere in the neighborhood, the organization markets vacant foreclosed homes for sale. Buyers must purchase the homes for owner occupancy, though eligible properties may contain up to four properly zoned units.

Buyers must meet Fannie Mae/Freddie Mac underwriting standards but the program is not income-restricted. Borrowers may receive a loan of up to 110 percent of the after-renovation appraised value of the home, but they must contribute a minimum of three percent of their own funds to the purchase price. Rates are fixed — they are always one point lower than the 60-day Fannie Mae rate but never lower than four percent. Six banks contributed to the $23 million loan pool and three foundations and one nonprofit organization acts as guarantors.

The loans stimulate not just home buying, but standard setting renovations, facilitated by pro bono design advice. In addition, to ensure the process goes smoothly, professionals are available to help renovators review contractor documents.

Increased costs may include land assembly, demolition, historic preservation, complicated adaptive reuse, structured parking, environmental remediation and brownfield clean-up, stormwater management, utilities, vertical construction, traffic mitigation, community amenities, pre-construction costs and delays, and uncertainties for lenders. In many cases, regulations and community opposition make it difficult to achieve the number of units or square footage permitted by zoning, thereby decreasing returns. In addition, it can be more difficult to achieve economies of scale, move equipment, and install infrastructure on smaller infill and redevelopment sites.

Both the market and competition exacerbate cost issues. In soft market areas, future revenue streams may be so low that projects are not financially viable. A project must attract end-users that generate sufficient revenue for an acceptable level of return on investment. Securing sufficient private financing can be challenging and public sector tools to address project funding gaps are often limited and difficult to secure.

In soft markets, other factors can hinder revitalization including

- Lack of financial motivation for property owners to rehabilitate or redevelop because their buildings generate sufficient revenue without improvements or serve as tax write-offs
- The inability of people to envision the potential of the community, which manifests itself in declines in property maintenance, higher return on investment criteria, less favorable loan terms, and property owners who do not serve the community

- Bank-owned properties
- Underwater mortgages
- Unrealistic expectations of property value
- Low community morale

Even in more competitive markets, a jurisdiction can still be at a competitive disadvantage and have trouble attracting investment because the private sector generally invests where the return on investment is greatest and most secure.

Local tax structures are also critical, as they factor into location decisions for residents and business owners, are directly tied to a jurisdiction's ability to pay for public improvements, and can act as an incentive or disincentive for building reuse and development of underutilized land. Municipalities often have higher taxes than counties due to the cumulative tax burden on taxpayers of paying both municipal and county taxes, a factor that can deter investment in those municipalities. Some, but not all, municipalities receive a tax rebate or tax differential from their counties that reduces, but does not eliminate, the higher tax burden on individuals.

Harford County: Aberdeen Planning Around Transit

While Aberdeen benefits from a grid pattern of streets, the city is challenged by several physical barriers, including U.S. Route 40, which separates downtown from the Aberdeen Train Station and makes it difficult for planners to create a development synergy between the train station and surrounding land uses. The auto-centric development pattern of Route 40 hinders pedestrian access to the train station. The transit oriented development (TOD) Master Plan recommends bicycle and pedestrian improvements to Route 40 including a green boulevard and other design elements to reinforce that Aberdeen is a place to stop and enjoy.

In addition to being a state-designated TOD area, Aberdeen is designated a Sustainable Community and has an Enterprise zone, HUB zone and BRAC zone, all of which offer development benefits and opportunities. City leaders and business owners have used the Sustainable Community designation to utilize state Strategic Demolition and Smart Growth Impact funds to acquire and demolish several buildings. Local businesses, such as Johnson Family Pharmacy, J.P. Chevrolet, Inc., and Aberdeen Family Chiropractic Center, have used local incentives for new construction and redevelopment.

Aberdeen's historic downtown has few vacancies, but city leaders desire a better mix of uses to attract residents and intensify land uses to attract more shops and services. However, these goals are challenging because properties near the MARC train station are relatively small — with fragmented ownership — meaning that land assembly may be required to create the compact, mixed- use development to achieve that goal. Development potential at the train station itself is limited because of the limited land area adjacent to the station. However, the potential for redevelopment in the wider vicinity is substantial.

Create and Better Fund Innovative, Effective Reinvestment Programs

The state has a number of excellent programs to support reinvestment through infill, redevelopment, and revitalization, but more can be done including resources from the Smart Growth Subcabinet.

Local officials and developers may 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, requirements to spend the money within a certain timeframe, requirement for matching funds, or other restrictions. Communities that successfully access state funds cannot always plan around them, because future funding levels may only be known from year to year or when combined with local programs, the number and complexity of incentives can be overwhelming.

Public funds can also better support mid-market projects, which focus on developers who do not qualify for income-restricted funds but who are unable to access sufficient private equity or debt. Though the state has some programs for market-rate projects such as Community Legacy, Neighborhood BusinessWorks, and the Maryland Heritage Structure Rehabilitation Tax Credit, there is a need for additional resources.

Further, local governments may be challenged with a lack of funds for predevelopment work, including planning, architecture, and engineering, making it difficult to be eligible for state funding or private investment. The lack of available operating funds also can make it difficult to fund ongoing costs like strategic code enforcement, planning, and grant administration.

Some applicants who potentially could take advantage of state programs may not be aware of such programs. Marketing, outreach, and technical assistance to potential program applicants is important to ensure that existing state programs reach diverse recipients. As an example, the Maryland Heritage Structure Rehabilitation Tax Credit program is well-used in Maryland's larger jurisdictions but tends to be less-used in other areas of the state. Development of an aggressive marketing and community education campaign is now underway to reach target audiences who are unfamiliar with this revitalization tool.

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

Princess Anne: Washington Inn and Tavern Brings Visitors Downtown

Despite serving as a hotel continuously since the 1700s, the Washington Inn and Tavern has been restored through a public private partnership that brought together private investors supported by every level of government (local, county, state, and federal).

The inn's history took a turn in 2012 following the death of longtime owner Mary Murphey. After her family decided they no longer wanted to operate the hotel or own the property, private investors interested in historic preservation and downtown revitalization became interested.

In 2011, the Somerset County Economic Development Commission met with a private investor and representatives from Princess Anne Main Street Association to formalize a Public Private Partnership to undertake the redevelopment. The partners pulled together a financial package that included funding from a Community Development Block Grant, a rural business enterprise grant from the USDA's Rural Development program, and funding from the State of Maryland's Community Legacy program. Including private funds, the total project cost was more than $1.7 million.

The inn, constructed in 1744, attracts visitors to the historic community of Princess Anne and supports downtown revitalization and business development in this Main Street Maryland community. Originally known as the Washington Hotel, the building is listed on the local and National Register of Historic Places.

After nearly three years of restoration, the inn reopened in August 2016. The first floor was redesigned to add two dining rooms and a reception area with an expanded lounge. The inn has 11 guest rooms furnished with antique beds and armoires, served by a workforce of 20 that is expected to grow.

Open for breakfast, lunch, and dinner in addition to the overnight accommodations, the Washington Inn and Tavern has strengthened the town's position as a destination for heritage tourism in Maryland. Along with America's oldest inn, the Robert Morris Inn in Oxford, and Crisfield House, also in Princess Anne, the Washington Inn is marketed in international markets under Historic Inns of Maryland. This public-private partnership, which combines economic development and historic preservation, can serve as a model for revitalization efforts in other historic communities.

Section 4: Policy Recommendations

The Reinvest Maryland recommendations and supporting materials contained in this report will help accelerate quality infill, redevelopment, and revitalization. The Commission will use the recommendations as a starting point for development of detailed implementation strategies by the administration, working in concert with local government partners. While both state and local governments can readily point to ongoing and meaningful revitalization efforts throughout the state, Reinvest Maryland presents an important opportunity for all levels of government to coordinate, strengthen, and fully engage with citizens and the private sector.

The Sustainable Growth Commission's recommendations are organized into categories

- Establishing a Vision for Reinvestment
- Creating and Better Funding Innovative, Effective Reinvestment Programs
- Identifying and Addressing Regulations and Policies that may Impede Reinvestment
- Deploying Targeted Financial Tools
- Promoting Equitable Development
- Encouraging Excellence in Community Design and Preservation
- Using Metrics to Gauge Success and Drive Reinvestment
- Accelerating Transit-Oriented Development

Montgomery County: Silver Spring Sector Plan Focuses Resources on Development

In the 1950s, Silver Spring was a thriving business district filled with shoppers seeking to buy shoes at Hecht's or garden supplies at Sears. Like so many other mid-century shopping meccas, downtown Silver Spring declined when enclosed suburban malls emerged in the 1970s and 1980s. Shops shuttered, sidewalks emptied, and people stayed away.

A concerted effort was required of Montgomery County officials and planners to create a new vision for downtown Silver Spring and then muster the resources and leadership to carry it out. Today, a mix of civic, retail, arts, and entertainment uses thrive near the Silver Spring Metro station.

Montgomery County planners created a framework to remake downtown Silver Spring in the 2000 Silver Spring CBD Sector Plan that allowed mixed uses and created active streetscapes leading to the Metro station. The framework captured residents' preferences for a pedestrian-friendly downtown with amenities such as a grocery store, a hardware store, restaurants, and community gathering spaces. Residents also expressed a desire to live in a racially and economically diverse community.

The sector plan created a foundation for redevelopment, identifying locations for community facilities, parks, and green spaces, as well as opportunities to reconnect the street grid and create a bike network. It also created a street hierarchy and appropriate levels of density for different sections of downtown with the highest density in the core.

The sector plan was implemented through a public/private partnership between a private developer, the county, and the state. A site between Colesville and Wayne avenues became the heart of this redevelopment effort and now functions as a successful retail area flanked by stores and restaurants. The area also has benefited from the creation of an urban renewal district, which allowed for land assembly, and the county expedited development reviews and negotiated compromises among stakeholders to allow for demolition of the Silver Spring Armory opening additional redevelopment opportunities.

Downtown Silver Spring offers a rich mix of transportation options, with a pedestrian-friendly network of streets, trail systems, Capital Bikeshare, the Metro Red Line, the MARC Brunswick Line, two bus systems, and the VanGo Circulator. The community also has evolved into a thriving employment hub, retail district, and residential community. Given Silver Spring's proximity to Washington, D.C., corporations and government agencies have a large presence downtown and more than 2,500 residential units were built between 2000 and 2011.

Silver Spring also has an urban district that funds improvements to promote downtown activities. The urban district is managed by a committee that advises county government on its management and finances. Downtown Silver Spring is also a state-designated Enterprise Zone and Arts & Entertainment District, which offers a variety of incentives to businesses, developers and artists.

Establishing a Vision for Reinvestment

Infill, redevelopment, and revitalization will not succeed unless the efforts are part of a broader vision for reinvestment in existing communities and are reinforced by a commitment to support this vision with growth policies, funding, education, and technical assistance.

Local governments are encouraged to establish a clear vision for reinvestment, and state and local governments should collaboratively make clear their commitment to infill, redevelopment, and revitalization by targeting capital investments, operating budgets, regulatory authority, actions, and resources to support this vision over the long term.

Reinvest Maryland could be incorporated in the new state development plan, *A Better Maryland*.

Leonardtown: Comprehensive Plan Spurs Focus on Downtown

Leonardtown benefits from many advantages, particularly its waterfront location on Breton Bay and a historic downtown that has been designated a Sustainable Community and an Arts & Entertainment District.

Leonardtown's 2010 Comprehensive Land Use Plan envisioned its downtown as a vibrant, mixed-use center with bicycle, pedestrian, and vehicular connections to the waterfront and adjacent residential communities. Following the adoption of the comprehensive plan, the town updated its zoning code to establish an infill and redevelopment overlay zone in the Commercial Business District (CBD), which relaxes setback and parking requirements to facilitate development.

Public access to the waterfront improved dramatically when the town, with support from the county and state, replaced the remains of a vacant former industrial site in 2012, giving residents and visitors unprecedented access to the bay. The 2012 Concept Vision for the Leonardtown Waterfront guides the future character of the waterfront, following objectives including continuous public access from the wharf west to McIntosh Run, protecting the natural shoreline, slopes, and water quality, accommodating increased demand for recreational boating, and extending the town development pattern through future upland residential development.

The CBD, situated on higher ground, is located along a short but hilly walk from the waterfront. Town officials are enhancing connections with new sidewalks, funded in part by the state. Characterized by mostly one- and two-story brick buildings that sit close to the street and a central square, the CBD features a recently refurbished gateway with new sidewalks and landscaping on Washington and Fenwick streets, also funded in part by the state.

The town intends to strengthen the CBD by maintaining key institutions downtown, encouraging infill development within the existing CBD, recruiting new businesses, expanding downtown to incorporate more potential infill sites, and ensuring strong pedestrian and vehicular connections to future residential growth. The town has successfully retained the court house and post office, where Leonardtown residents and business owners still pick up their mail, despite threats to relocate these important traffic generators.

Thanks to strong business recruitment and retention efforts by the town and the Leonardtown Business Association, which receives support from both the town and St. Mary's County, a coffee shop and hotel have popped up near the square. Town leaders are particularly interested in businesses that will give people more reasons to spend time downtown in the evening. Infill development near the square is subtle, because the new development blends so well with existing buildings. Several buildings on Park Avenue and Courthouse Drive have been expanded from one and two to three stories. Significant opportunities exist within the town boundaries for residential growth, and town leaders remain aware of the need to maximize connectivity so residents have easy access and truly feel connected to the downtown.

Synergy between residential neighborhoods and downtown is evidenced by residents who patronize downtown businesses, thus contributing to the CBD's economic health. The town encourages and is receiving proposals from developers for multi-family housing developments within walking distance of the CBD, which will further diversify housing and increase the appeal of downtown, particularly to young professionals and seniors.

Vision 1

To emphasize the state's commitment to reinvest in our communities, the Commission recommends

- Enhance and market the Maryland Department of Planning's online Smart Growth Toolkit as a comprehensive one-stop on-line resource dedicated to infill, redevelopment, and revitalization, with access to complete information about funding opportunities and best practices
- Establish the Smart Growth Subcabinet's Coordinating Committee as a key forum to coordinate state agencies' input on reinvestment projects
- Continue to align state investments, budgets, regulatory authority, actions, and resources, including surplus and other strategically relevant real property, to support strategies for reinvestment
- Work with local governments, in all regions of the state to identify areas that are prime candidates for job growth and business stabilization, and direct state infrastructure and economic development funds accordingly
- Periodically conduct focus groups and surveys with the development community and other stakeholders to identify potential changes to federal, state and local laws, regulations, and budget practices to facilitate infill, redevelopment and revitalization

Vision 2

Continue to encourage local governments to establish coordinated economic development and community revitalization strategies that focus on reinvestment and encourage infill, redevelopment, and revitalization through participation in the Sustainable Communities program.

Vision 3

State agencies, working with local governments, the development community, nonprofit organizations, and other stakeholders, and in coordination with the Commission's Education Workgroup, should develop a comprehensive educational strategy focused on techniques and best practices to facilitate implementation of infill, redevelopment, and revitalization. Educational modules should be web-based, and presented at regional meetings and workshops convenient to elected officials, members of planning and historic district commissions, state and local government staff, town administrators, developers, realtors, business owners, the public, and the media.

Topics for the educational/technical assistance strategy could include

- Measuring benefits of compact, mixed-use infill and redevelopment
- Challenges involved in funding redevelopment projects and the need to fill financing gaps by combining state, local, and private capital funding programs
- Public private partnerships
- Density's role in the economic viability of infill and redevelopment
- Planning and design techniques such as form-based codes that foster public support
- Zoning tools to support infill and redevelopment
- Transit-oriented development design to promote walkability and transit ridership
- Small business' role in community revitalization — facilitating small business growth
- Mechanisms for dealing with common problems in business districts, such as absentee landlords, inconsistency in businesses' operating hours, and code enforcement
- Coast Smart and climate resiliency practices
- Stormwater management, Forest Conservation Act (FCA), and other regulatory requirements
- Alternative methods to address water allocation in the Piedmont region
- Approaches to creating and preserving workforce housing that serves households of all incomes
- Creative approaches to turning public necessities into economic opportunities
- Mechanisms for ensuring adequate public facilities and minimizing the impact of adequate public facilities ordinances on infill, redevelopment, and revitalization
- Best practices that provide procedural advantages for reinvestment projects
- Comprehensive review of tax credits, incentives and other types of assistance available for reinvestment projects
- Addressing the challenges of aging infrastructure
- Approaches to manage transportation demand, such as Transportation Demand Management (TDM), rideshare and others
- Application of historic preservation requirements and regulations

Vision 4

State agencies should work with interested local jurisdictions and other stakeholders, including the National Center for Smart Growth (NCSG) and other academic institutions, to research and share information and data that evaluates the benefits of infill, redevelopment, and revitalization, including the financial return on compact, mixed-use development. Private sector finance partners should be included to identify barriers to their interest in financing this type of reinvestment.

Vision 5

To help communities enable infill and redevelopment, the Maryland Department of Planning will work with local governments and stakeholders to evaluate the capacity and condition of roads, water, sewer, schools, and stormwater to accommodate projected population and employment growth and to help inform state and local capital improvement strategies.

Columbia: Housing Center Idea Connects Landlords and Renters

When developer James W. Rouse created his vision for Columbia, his planned community in the heart of Howard County, one of his guiding principles was to create a diverse, integrated, and open community where people of different backgrounds could live and work together regardless of race or income.

This ideal has guided the development of Columbia for 50 years and has helped sustain it through growth and change.

In recent years, however, aging housing stock and changing demographics have led to a concentration of lower-income renters within certain neighborhoods, a pattern correlating with race.

Community leaders are looking to address this trend with the potential for disinvestment and other socioeconomic challenges. They are turning to a model developed in Oak Park, Illinois, a suburb of Chicago, as one tool to support a stable and integrated community.

The Oak Park Regional Housing Center was established in 1972 during a period of social change in metropolitan Chicago. The nonprofit 501(c)3 organization serves as a clearinghouse for housing opportunities in the west-side suburb, collecting information from landlords about housing opportunities, disseminating this information to prospective residents, and encouraging renters to look at apartments in diverse neighborhoods.

Oak Park leaders believe the program has helped support diversity, which in turn has stabilized the community and strengthened its neighborhoods and schools.

Columbia is hoping for similar outcomes and has established an exploratory committee looking at the Oak Park model and are seeking to craft a similar organization to support housing choices.

The committee is seeking support from the community and touting the benefits of diversity and inclusiveness by:

- Reinforcing Columbia as a uniquely integrated community, further integrating schools, and enhancing business and social networks for residents.
- Fostering a greater sense of community pride, civic participation, and harmony and providing Columbia with a unique and desirable brand that reinforces property values.
- Intentionally sustaining the integration of a diverse community as an investment that will provide many social and economic benefits for Columbia.

Creating and Better Funding Innovative, Effective Reinvestment Programs

Maryland's revitalization programs are well-regarded and effective, while many local jurisdictions have their own analogous and complementary programs. To achieve the full potential, a higher level of investment and better strategic alignment and coordination is needed.

This report identifies tools and strategies to strengthen specific programs, along with recommendations for better access to such funds. Local governments are also encouraged to develop and/or strengthen their reinvestment programs.

Maryland has many community development organizations working at the neighborhood level building the capacity of several organizations to implement their programs, through technical assistance and additional resources.

Baltimore City: Project C.O.R.E. Eyes Strategic Demolition

Maryland's strategic demolition fund has been a key tool to remove blighted building stock across the state. However, the available funding has not been sufficient to support a large-scale, integrated approach to community revitalization, especially in Baltimore City.

In 2016, the State of Maryland under Governor Hogan's leadership teamed with Baltimore City to create Project C.O.R.E., (Creating Opportunities for Renewal and Enterprise). The partnership includes a commitment by the state to invest $75 million, paired with an $18.5 million investment by Baltimore City, to demolish vacant and derelict buildings in Baltimore City. These buildings will be replaced by green space that will serve as parkland or as open space that can be used for redevelopment.

Project C.O.R.E. features simultaneous demolition activities by three agencies: the Maryland Department of Housing and Community Development, the Maryland Stadium Authority, and Baltimore City Housing — accelerating blight removal to facilitate Housing's $600 million investment in revitalization.

The demolition is subject to extensive environmental and safety standards developed by the state and its partner organizations and agencies. These standards are designed to protect residents from hazards during demolition.

Housing is working with community organizations to strengthen partnerships and reflect their needs in post-demolition redevelopment. City residents will benefit from job opportunities provided through Project C.O.R.E. activities.

In June 2016, the first round of applications was received for redevelopment activities dedicated to improving the physical, economic, and social environment of Baltimore City. Housing received applications from 36 organizations requesting support for 77 projects. After reviewing the applications, the department awarded nearly $16 million to 30 projects that will leverage an additional $285 million in investment.

In December 2016, Governor Hogan announced the awards in front of the future site of the Innovation Center in the Madison Park neighborhood. Sponsored by the Mount Royal Community Development Corporation, the Innovation Center will serve as an anchor in a new, mixed-use development gateway and town center for West Baltimore located on a contiguous quarter-mile parcel in the 700-900 blocks of West North Avenue at the site of the former Madison Park North apartments. In addition, the Madison Park North site will feature a new grocery store, Main Street style retail shops, mixed-income housing, a new restaurant, new medical office space, and housing for the Maryland Institute College of Art. The second round of applications were received during the spring of 2017.

Reinvestment Strategy 1

The state should establish more reliable and sustainable funding sources for its infill, redevelopment, and revitalization programs, which include but are not limited to Community Investment Tax Credits, Community Legacy, Neighborhood BusinessWorks, Strategic Demolition Fund, Baltimore Regional Neighborhoods Initiative, Town Manager Circuit Rider Grant Program, Maryland Heritage Structure Rehabilitation Tax Credit, Heritage Areas Grants, and Community Parks and Playgrounds. The state should incorporate existing or potential new programs and funds administered by other state agencies into a Reinvest Maryland marketing campaign that highlights the value of participating in the Sustainable Communities program.

Reinvestment Strategy 2

Recognizing that significant, ongoing dedicated funding for infrastructure, public amenities, and public realm improvements to support infill, redevelopment, and revitalization, is limited, the Growth Commission will continue to study the issue and work with partners to identify long term and sustainable funding sources. The state should expand funds for pre-development soft costs such as architecture and engineering, as well as for ongoing operating costs such as planning, economic feasibility analysis, grant administration, relocations, targeted code enforcement, and local staffing.

Reinvestment Strategy 3

The Smart Growth Subcabinet should coordinate the alignment and streamlining of state application processes for core programs focused on infill, redevelopment, and revitalization. State agencies should continue to explore opportunities to

- Combine program applications to the greatest extent possible
- Develop consistent applications for ease of use
- Streamline the application processes and make the applications shorter and less repetitive
- Share, establish, make public, and adhere to timeframes for review, award, and other milestones important to applicants
- Streamline the requisition process and adhere to a standard payment timeframe to provide recipients with a dependable reimbursement schedule

Reinvestment Strategy 4

Planning and the Maryland Historical Trust (MHT) should work with local governments, federal officials and stakeholders to

- Ensure that Congress sustains the federal rehabilitation tax credit program
- Seek support for increasing funding for the state's Maryland Heritage Structure Rehabilitation Tax Credit and returning the commercial credit to a traditional credit instead of an annually appropriated grant/tax credit hybrid
- Continue to fund technical support of local nominations to the National Register of Historic Places to provide the necessary documentation to expand the number of credit eligible properties
- Reconcile conflicting review standards between state, local, and federal tax credit programs that serve as a barrier to building reuse. These efforts should include considering a tiered approach to window preservation and replacement, new guidelines for lead paint abatement, and energy code compliance
- Create consistent definitions of and applications for adaptive reuse of historic structures that promote economic development and encourage flexibility in the productive use of historic structures
- Consider alternatives to cost intensive restoration requirements such as the treatment of interior stairs and slate roofs

Reinvestment Strategy 5

Housing should develop new products to support commercial and residential projects that redevelop vacant, outdated and/or dilapidated buildings, but may not meet existing historic preservation program requirements, such ideas include

- Acquisition and rehabilitation for commercial and residential projects, supporting efforts by small-scale developers and providing for funding and tax credit eligibility without income restrictions or project cost limitations
- Adaptive reuse that retains community character but may not necessarily adhere to the Secretary of the Interior's historic preservation standards
- Expanded eligibility for tax credits related to building façade improvements
- Addressing the difficulty that older buildings have in meeting the Americans with Disabilities Act
- The provision of alternative compliance options for sprinkler and egress requirements

Reinvestment Strategy 6

Housing and Planning should provide technical assistance to local governments interested in establishing a land trust, land bank, and/or an affordable housing trust fund to facilitate reinvestment projects and, particularly, the retention of affordable housing in strong markets.

Reinvestment Strategy 7

The Maryland Department of Transportation should expand its funding and technical assistance resources to assist local governments with the planning, design, and implementation of smaller projects, such as key bicycle and pedestrian improvements, for both local and state roads.

Reinvestment Strategy 8

The Governor and General Assembly should consider changes to state law to support economic development, including allowing economically distressed municipalities that are not located within economically depressed counties to access the One Maryland Program's resources.

Reinvestment Strategy 9

State and local governments should develop initiatives to foster small business development. Initiatives could include

- Increasing resources for designated Main Streets
- Expanding resources for the Neighborhood BusinessWorks program for direct grants and loans to businesses
- Expanding financial, design, and other technical assistance
- Outreach to communities to identify, encourage, and create new business owners
- Reducing permit fees
- Incentivising for creative uses of space that foster entrepreneurship, such as pop-up stores, shared business space, urban farming, farmers' markets, and special events, along with reduction of regulatory barriers that stifle entrepreneurship
- Legislation permitting periodic tax relief within targeted areas
- Reducing the approval threshold for the creation of business improvement districts
- Zoning to encourage a mix of uses, flexibility in standards, and the re-purposing of vacant commercial space, possibly using an overlay district that promotes infill and redevelopment

Reinvestment Strategy 10

The state should continue to review the Sustainable Communities designation process to ensure that the goals of Sustainable Communities established by the General Assembly in §6-104 of the Housing and Community Development Article are met.

Reinvestment Strategy 11

The Maryland Department of Planning should continue to provide technical assistance through its regional planners to address the challenges of rural communities, particularly those with limited staff resources, to develop community development plans, to build local capacity to implement plans and projects, and to help prepare and manage community development grant projects.

Baltimore City: Open Works Brings Creative Space to the City

Open Works serves as an incubator for Baltimore's creative economy by providing affordable working studios and access to state-of-the-art production facilities for a variety of artists and creative workers including visual artists, photographers, graphic designers, sculptors, weavers, fiber artists, fashion designers, and fine furniture makers.

In 2013, the Baltimore Arts Realty Corporation (BARCO) purchased the vacant Railway Express Agency warehouse at 1400 Greenmount Avenue in the Station North Arts District to establish the creative center for makers and artists in Baltimore. BARCO renovated the property as adaptive reuse to offer 34,000 square feet of space for entrepreneurs to launch businesses.

Open Works has transformed the vacant building into a vibrant community anchor, generating $5 million of annual economic activity and providing affordable space and technology to 150 artisans and entrepreneurs and monthly access for up to 400 members to utilize state-of-the art prototyping and artisan equipment.

The building features a complete wood shop, metal shop, digital media studio, and a digital fabrication shop with the latest in advanced fabrication technologies. The space also supports workforce development programs in construction, digital fabrication, textile, and IT jobs and is part of a growing neighborhood of live/work space in Baltimore.

Taneytown: Bringing Visitors Downtown with Streetscape Improvements

The City of Taneytown's three-year downtown revitalization effort, the largest ever Maryland streetscape project, has transformed a once underutilized historic district into a successful commercial and cultural center.

Once nationally known as a retail and performing arts center, neither street paving, nor repairs to public water and sewer infrastructure had occurred for several decades.

A partnership between the city and the State Highway Administration invested in roadway reconstruction, sewer and water line replacement, and significant streetscape and signage improvements to the city center, triggering additional investment. Revitalization projects included new downtown branding, and sidewalks with amenities such as lighting, benches, message/events boards, and seasonal banners. The reclaimed community space encouraged activities including a weekly farmer's market, weekend downtown concerts, sidewalk sales, and other outdoor events. The combined impact raised Taneytown's visibility.

City leaders supplemented the area's physical conversion with an aggressive real estate development plan.

As a complement to the infrastructure upgrades and streetscape, the city created an Economic Restructuring Committee, which rebranded downtown, updated the logo, and marketed available properties with redevelopment potential identified via a market analysis. Leveraging the streetscape improvements, the city formalized an ordinance establishing a Redevelopment Zone, giving certain properties priority recognition in all facets of redevelopment, permitting, tax accounting, use, and marketing.

Adding to their business improvement efforts to attract private investment, the city sought to attract more visitors to use the improved roadways and infrastructure. The streetscape project installed interpretive panels that highlight and explain Taneytown's architectural, social, and transportation history. In addition to providing the markers, the State Highway Administration worked with the city to create a self-guided walking tour and provided plaques to identify the buildings.

Taneytown is a state-designated Main Street. The national and state Main Street programs are a historic preservation-driven economic development tool that allow communities to revitalize business districts by leveraging local assets including historic and cultural resources, local businesses, and community pride. The city is on the National Register of Historic Places and part of the Heart of the Civil War Heritage Area. Like the Main Streets program, the Heart of the Civil War Heritage designation encourages preservation-based economic development and tourism.

Identifying and Addressing Regulations and Policies that may Impede Reinvestment

The state and local jurisdictions must identify and address regulations that inhibit reinvestment in our communities and instead lead to development in greenfields outside of existing communities.

To make reinvestment easier to achieve while still protecting public health and safety, and the environment, state and local governments must improve regulatory review and business permitting processes and address continuing concerns about codes and requirements that makes reinvestment more difficult.

Laurel: Centre Redevelopment Overlay Zone Provides Flexibility to Developers

The City of Laurel's Revitalization Overlay Program provides property owners with flexibility to take advantage of economic incentives and market conditions to invest in infill development. The overlay system identifies six different overlays within the city, ranging from City Center, which is the most intense, to transit oriented development and the Main Street. An additional category targets aging apartment complexes within city neighborhoods, allowing flexibility in replacement or renovation. The overlay system permits greater density and design flexibility in return for provision of specific public amenities for the project, necessary highway improvements, transit proximity, and enhanced architectural design through community appearance standards review. Applicants may access all necessary procedures and criteria online using the city's Unified Land Development Code. Through streamlining procedures, the process takes a few months, depending on the size of the proposal.

The city's Revitalization Overlay program has resulted in several development projects, most notably the Towne Centre at Laurel, which replaces an obsolete shopping mall at the geographic core of the city. Not simply a suburban project, Town Centre was reviewed and approved as a major mixed use facility and embodies many smart growth essentials. It contains retail, restaurants, a 12-screen cinema complex, and housing, as well as a post office and medical facilities. Many residents can walk to Towne Centre due to its central location and bicyclists have easy access from Towne Centre to Laurel's bikeway system, with connections to the Main Street area, Laurel Lakes and Wellington. Towne Centre is also directly adjacent stops to regional bus lines and Metrobus service to the Greenbelt and Silver Spring Metro Stations, providing access to Metro's green and red lines. Planning for an improved bus staging area adjacent to the site is also underway. The city employed tax increment financing to assist with necessary road improvements.

In effect since 2012, the city's Revitalization Overlay system has resulted in one-half billion dollars of investment since its inception. In addition to the Towne Center at Laurel, projects include the C Streets Flat, an arts oriented apartment community in the city's designated Arts and Entertainment District off Main Street, and the 100 Main Street mixed use project, a proposed transit oriented development at the Laurel MARC Rail Station, which the city is working on in conjunction with the Maryland Department of Transportation.

Regulatory Reform 1

The Smart Growth Subcabinet should undertake and oversee improvements to state regulatory review and business permitting processes to reduce permitting costs, achieve faster and better response times, and provide more certainty and greater transparency for infill, redevelopment, and revitalization projects.

The State should encourage and provide technical assistance to local governments agencies to

- Establish, promote, and adhere to deadlines for permit review and approval
- Assign a single point of contact per agency to coordinate review and ensure clear and regular communication between applicants and reviewing staff
- Ensure that permit review and site design staff are current on latest technology/best practices, understand state requirements and goals for revitalization, and have access to policy and technical resources when given the opportunity to consider new approaches to meeting a regulatory requirement
- Investigate methods to expedite permit approvals including, but not limited to, additional resources for reviewing agencies and/or third party reviews
- Review expediting processes that are designed to support reinvestment projects
- Communicate effectively to discuss and resolve project-specific issues requiring multiple state agency approvals
- Determine whether approvals can last longer or be extended for infill, redevelopment, and revitalization projects to avoid permits lapsing or the need to re-apply for new entitlements for use changes over time
- Examine the potential for tiered fees to make it is less expensive to develop inside targeted areas, and adjust for market conditions and project specifics

Regulatory Reform 2

To support infill and redevelopment projects, local jurisdictions are encouraged to establish procedures to provide as much certainty as possible regarding specific requirements including stormwater management, infrastructure, historic preservation, forest conservation, public input, and density early in the development process. State agencies and local governments should make efforts to limit reviews of subsequent submittals to those issues identified by prior submittal issues that arise due to material changes in the plan. All rules should be in writing and easily accessible.

Regulatory Reform 3

State agencies and local governments should encourage robust public input during the plan preparation, review and approval process and commit to transparency and predictability during the review of subsequent development projects that are consistent with the adopted plan. State agencies and local governments should also seek public input at the beginning of the development process to promote greater transparency and predictability. State agencies and local governments should streamline processes, particularly for by-right projects, and strive to minimize appeals. The Commission will work with interested local governments to create model mechanisms that may be used by all local governments to evaluate a development proposal's consistency with reinvestment goals and to mediate disputes.

Regulatory Reform 4

The Maryland Department of Natural Resources, Maryland Department of the Environment, and Planning should work with stakeholders to evaluate and address concerns that certain requirements discourage infill and redevelopment, including stormwater management, building codes, historic preservation, and forest conservation, using data to inform the evaluation and technical assistance as needed.

Agencies should communicate existing flexibility and alternative compliance options to the development community and local agency staff to further their use in infill and redevelopment. Where action is justified, the focus should be on creative alternatives and technical assistance to achieve compliance.

Regulatory Reform 5

The Smart Growth Subcabinet should coordinate state agencies' efforts to engage a broad constituency to evaluate and address concerns that conflict among historic preservation, green building, ADA, fire, and related codes that make infill, redevelopment, and revitalization more difficult. Agencies should work with interested stakeholders to identify and make every effort to resolve these conflicts.

Regulatory Reform 6

Local governments should investigate innovative approaches and work with the Commission to identify ways to minimize the impact of APFOs, impact fees, and building code and stormwater management requirements on infill, redevelopment, and revitalization where growth has been planned. In cases where an adequate public facilities ordinance has the effect of stalling a development project, local governments are encouraged to rectify the problem that triggered the impediment. State and local governments should develop strategies for addressing interjurisdictional school and traffic issues to achieve outcomes desired by all affected jurisdictions.

Regulatory Reform 7

The Smart Growth Subcabinet's coordinating committee, composed of agency staff members, should develop a policy to review Priority Funding Area law exception requests within the context of a Reinvest Maryland policy, in addition to other established considerations.

Hagerstown: Innovative Financing Helps Arts and Entertainment District

One of the centerpieces of Hagerstown's Arts and Entertainment District is the Barbara Ingram School for the Arts. Located in Hagerstown City Center, it is the first arts magnet school in Washington County and has served as a downtown anchor. Washington County Public Schools, in collaboration with the City of Hagerstown and a community development nonprofit organization, renovated the 1903 three-story iron-frame and masonry office building in 2009 using an innovative leaseback structure that allowed the project to gain state funding.

The conversion of the former office building into a visual and performing arts high school is noteworthy not only for its financing approach but also for its central role in the redevelopment of downtown Hagerstown. The educational program relies upon the nearby public library, a downtown theater and a University of Maryland facility to supplement the facility requirements of the program with the renovated building serving core program offerings in the arts.

Although the educational program is modeled on the successful Baltimore School for the Arts, its use of nearby public and private institutions to extend educational opportunities for students is an innovation that has larger planning implications. If schools are built within growth areas to promote walkability and become centers of community activity, school districts often will need to choose smaller sites that require alternatives to a full array of on- site physical education and sports facilities. Joint use of neighboring facilities owned by different entities may make it easier for school districts to use smaller sites without sacrificing their educational programs.

The project cost $10.9 million and was funded through a variety of sources. WCPS and HNDP engaged a consultant to solicit financing for $8.3 million to pay for most of the renovations and additions. The results on bid day exceeded expectations and, thanks to a Maryland Historic Structure Rehabilitation Tax Credit (HSRTC) for historic properties, project financing was below conventional general obligation bonds. As a private entity, HNDP is eligible for the HSRTC, equal to 20 percent of the eligible costs of construction, which resulted in a credit equaling $1.3 million. The balance of the renovation funds are based on artistic talent, experience, or potential and their ability to commit to serious and purposeful study. In its most recent report, U.S. News & World Report ranks Barbara Ingram School for the Arts the fifth best high school in Maryland.

Baltimore City: Partnership Creates Opportunity for Park Stormwater Management

Where a line of vacant, blighted rowhouses once stood, visitors now enjoy the New Broadway East Community Park, which transformed 18 vacant residential home sites into a park, providing residents with access to quality public open space as well as improving water quality and the health of the Chesapeake Bay. The park stands out for its innovative approach to stormwater retrofits and a public/private partnership focused on the long term benefits.

After the homes were demolished, the site lacked stormwater management and the soil was compacted. To create a healthier environment for trees and plants and allow rainwater to infiltrate, park construction included subsoil replacement and soil decompaction. The new park features paths, a small parking lot, and a community gathering space constructed with pervious concrete and pavers, as well as landscaping with native species. Project organizers point to the fact that they changed the site from 100 percent impervious to 100 percent pervious surfaces.

The New Broadway East Community Park represents a true collaborative effort. Project management was split between the Parks & People Foundation, the City of Baltimore, and Humanim. Parks & People Foundation initiated the project, worked with the Broadway East Community Association, area churches, and local residents to plan the park, and raised funds for implementation. The Baltimore Office of Sustainability prepared concept plans, and the Baltimore Department of Housing and Community Development demolished the homes. The city paid for improvements to perimeter sidewalks.

Tilghman Island: Economic Development Provides Opportunity and Adaptive Reuse

In 2003, Hurricane Isabel hit the Chesapeake Bay and destroyed much of a seafood buying dock owned by a family of watermen on Tilghman Island. Kelley Cox, a member of the family, saw an opportunity to preserve the working waterfront in this Talbot County island community, which for generations has harvested and sold crabs and other shellfish, as well as fostering additional economic development and natural resource stewardship.

By 2005, the former marine biologist with the Maryland Department of Natural Resources, had opened the Phillips Wharf Environmental Center (PWEC). Named for her father, Garland Phillips, who owned and operated Phillips Wharf Seafood, PWEC began offering educational programing and tours of the Chesapeake Bay.

In 2013, PWEC purchased the property next door to expand the center's operations and preserved the last waterfront oyster shucking house in Talbot County. PWEC will continue to allow watermen and seafood distributors to conduct business, while providing space for an aquaculture resource center where watermen and others can work on techniques for growing oysters.

Deploying Targeted Financial Tools

Faced with limited resources to support development, the public sector must choose where to strategically direct resources. These decisions either help to facilitate or slow efforts to attract infill, redevelopment, and revitalization. Infill and redevelopment is generally more expensive than greenfield development, necessitating more efficient use of existing resources and the development of new resources.

State and local governments need to use existing resources more efficiently and develop or enable creative and effective financial tools to support targeted reinvestment priorities.

Town of Denton: Heritage Areas Grant Helps Spruce Up Old Properties

Like many small older communities, the Town of Denton sought creative ways to improve derelict properties. A comprehensive review of properties that had been condemned or cited under the town's Property Maintenance Program and Ordinances revealed more than 120 homes needed attention. In a town of less than 4,500 residents, Denton leaders decided to target revitalization efforts within areas with the highest number of condemned and cited properties.

Staff from Denton's Planning Office reached out to the Maryland Department of Housing and Community Development (Housing) for funding assistance and to the Caroline County Habitat for Humanity (Habitat) to create a comprehensive strategy of demolition, repair and rebuilding. Denton received $400,000 from Housing for home purchase and demolition costs and partnered with Caroline Habitat to turn newly cleared parcels into low to moderate income housing close to town amenities.

The first project saw new infill houses rise on three vacant parcels the town had acquired. Habitat's first new home was built alongside another condemned home they were able to repair, which was the first occupied property under the initiative.

Because the focus of Denton's revitalization is providing affordable housing, the town also has prioritized energy efficiency as part of its efforts for existing and newly rebuilt homes. With grant funds from the Maryland Energy Administration, Caroline Habitat was able to complete energy efficiency upgrades for six low- to moderate-income families in town, each of which produced an estimated annual savings of more than $11,000 per family by reducing electricity, propane and water consumption.

Targeted Financial Tools 1

To accelerate reinvestment, the Governor and General Assembly should develop or enable new sources of funding or better direct existing funding to support infill, redevelopment, and revitalization including

- A dedicated resource and/or pooling of existing resources focused to incentivize reinvestment, such as the Project C.O.R.E. initiative designed to remove blight in Baltimore City, and statewide through acquisition, demolition, and site preparation
- Review of legislative requirements and funding sources for existing neighborhood revitalization programs with the goal of expanding eligible costs to include predevelopment and operating expenses to better support and build the capacity of Maryland's community development organizations that provide community-based development and services
- Expanded opportunities to use Tax Increment Financing (TIFs) by using state revenues, providing more flexible authority to use local revenues to support TIF, allowing area-based and pay-go TIFs, structuring small-scale TIFs are more affordable for smaller jurisdictions, and allowing TIFs to be used for a broader range of activities including mitigation of costs related to regulatory compliance
- Expanding marketing, technical assistance, and creative partnering to encourage the use of New Markets Tax Credits to help make infill, redevelopment, and revitalization projects more feasible in weaker market areas. Housing will proactively identify eligible areas and organizations to increase the potential for New Markets Tax Credit awards resulting in high value infill, redevelopment, and revitalization projects

Targeted Financial Tools 2

The Smart Growth Subcabinet should work cooperatively with the Maryland Municipal League (MML) and Maryland Association of Counties (MACo) to develop strategies to help municipalities and counties address the cost of infrastructure maintenance and minor upgrades to support redevelopment.

Targeted Financial Tools 3

State and local agencies should undertake value engineering approaches including measures to ensure that the scope and limits of the project do not unnecessarily expand beyond the original purpose and intent when initiating new capital construction projects.

Targeted Financial Tools 4

Local jurisdictions should consider long-term funding mechanisms for new or expanded regional transportation systems.

For example, consideration should be given to a regional sales tax, expanding local-option vehicle registration fee, expanding local option income tax increment, and expanding authority for local jurisdictions' real estate transfer tax.

Targeted Financial Tools 5

The state should work cooperatively with interested local jurisdictions to assist in determining the incentives or disincentives of local tax codes, fees, exactions, and related policies and align them with infill, redevelopment, and revitalization goals. Opportunities include examining reliance on how income and real property tax changes can help low-income residents stay in their homes as neighborhoods revitalize and adoption of split rate taxes, where land is assessed at higher property tax rates than improvements to incentivize redevelopment of vacant lots. The state and local jurisdictions should also monitor tax policies and incentives for their impact on infill, redevelopment, and revitalization.

Targeted Financial Tools 6

The state and local governments should take steps to incorporate reinvestment considerations into current and future initiatives aimed at improving job growth.

Targeted Financial Tools 7

The Smart Growth Subcabinet should evaluate the effectiveness/return on investment of current tax incentives related to infill, redevelopment, and revitalization. This evaluation should include a gap analysis and review of what other states and local governments are doing that could benefit Maryland.

Other Recommendations

Promoting Equitable Development

Marylanders of all incomes and backgrounds should be able to live in healthy, vibrant, and safe communities with access to jobs, services, and public amenities. The state must proactively ensure Marylanders of all incomes and all backgrounds benefit from state and local reinvestment activities.

State and local governments must work together to improve our communities by addressing quality of life issues, strengthening the social fabric of the community, providing better access to jobs, or providing new sources of affordable housing in places that lack a sufficient supply.

Housing, local governments, and interested stakeholders should collaborate to help communities identify opportunities for integrating mixed-income housing into infill, redevelopment, and revitalization activities in communities that lack sufficient affordable housing. Housing should provide financial expertise and technical assistance to local governments and developers to increase the supply of housing for low-income and workforce residents.

The Commission should identify innovative approaches to community revitalization that also strengthen the social fabric of a community, such as place-based college scholarships or entrepreneurship programs.

The Commission should evaluate policies that could result in distributing a portion of the increased revenue results from infill, redevelopment, and revitalization to a local government, community development corporation, or similar community-based organization, so these funds are used to further community reinvestment.

The Smart Growth Subcabinet should enlist the State Department of Education and Governor's Office of Crime Control and Prevention to identify ways to improve the quality of public education and public safety in urban, suburban, and rural areas.

The Department of Natural Resources should connect underserved communities that have minimal access to nature and develop and implement a comprehensive program to increase access and utilization of public lands and waterways for these communities.

State and local governments should identify barriers, challenges, and opportunities to fully incorporating environmental justice considerations including potentially adverse environmental, human health, and economic impacts into state and local planning, permitting, and decision-making.

When planning new or contemplating financial aid for public facilities or government-supported services, state and local governments should communicate with one another about how a specific location furthers or detracts from reinvestment goals.

Encouraging Excellence in Community Design and Preservation

Development patterns and design over the past half-century have resulted in communities that may not be attractive or functional.

State and local governments need to work with community leaders to preserve unique community character and historic assets and integrate new investment within the existing community fabric, while also facilitating and encouraging new investment and jobs. Partnering with organizations such as the Partnership for Action Learning in Sustainability (PALS) program at the University of Maryland College Park, Neighborhood Design Center in Baltimore, and the Eastern Shore Land Conservancy's Center for Towns can enhance local capacity to plan for and implement these initiatives.

State agencies should facilitate the development and delivery of public education and technical assistance on design techniques, best practices, and regulations to provide more communities the opportunity to realize functional and attractive infill, redevelopment, and revitalization.

Local governments should consider using approaches to foster excellence in community design during the planning process (such as Form Based Codes, charrettes and/or pattern books and illustrative guides).

Using Metrics to Gauge Success and Drive Reinvestment

Maryland does not have a mechanism to measure its cumulative reinvestment efforts or impact, making it difficult to assess results. Reinvestment efforts would benefit from the development of a tracking and forecasting system to measure and evaluate the effectiveness of community reinvestment.

In consultation and collaboration with MML and MACo, the Smart Growth Subcabinet should consider instituting a process for ongoing review and evaluation of progress, which should be used to help focus resources on programs and projects which most effectively achieve community revitalization, economic development and related environmental benefits.

Accelerating Transit-Oriented Development

Though the state has several excellent examples of transit-oriented development (TOD), there are examples of existing and proposed transit hubs that do not take full advantage of the TOD model.

In addition to increased funding and streamlining of regulations, successful TOD necessitates increased coordination and greater clarity between state and local roles.

TOD projects are complex and their success depends on many factors. Every TOD project consists of diverse public and private project elements, advances a broad range of public and private goals, and is supported by a diverse range of state, local, and private partners. TOD projects are also subject to a wide range of citizen and regulatory reviews, making the TOD implementation and approval environment complex.

Wheaton: MetroPointe – A Success Story in Transit-Oriented Development

Located above the Wheaton Metro Station in Montgomery County, MetroPointe provides 173 units of rental housing with immediate access to Metro's Red Line. MetroPointe accommodates households with a range of incomes with 120 market-rate units and 53 affordable units. Eighteen of the affordable units are reserved for occupancy by households with incomes at or below 50 percent of the statewide median income and six are set aside for persons with disabilities.

Amenities at MetroPointe are structured for the competitive Montgomery County rental market and include a fitness center, a business center, a club house, and space for after-school programs. The Housing Opportunities Commission of Montgomery County partnered with Bozzuto Development Corporation to develop the project.

The Montgomery County Council approved the Wheaton Central Business District and Vicinity Sector Plan in January 2012. The plan aims to facilitate the transition of the central business district near the Metro station into a mixed-use urban center by permitting greater density in the area while protecting its eclectic character. An increase in density will accommodate more residents and office workers, creating a synergy with existing businesses and invigorating the downtown. The plan provides a framework for a more pedestrian- and bicycle- friendly downtown with quality public open space and amenities, streetscaping, improved stormwater management, and increased tree canopy.

Additional Case Studies

Salisbury: Student-led Downtown Redevelopment

Envision Salisbury, which began as a student-led community design project at the University of Maryland's School of Architecture, is now the City of Salisbury's 20-year Downtown Master Plan.

In October 2013, Brian Kelly from the University of Maryland and Salisbury City Council President Jake Day (who later became mayor) met to discuss how to engage students in planning the future of Salisbury. The City felt that it lacked a plan for its downtown, despite 50 years of planning efforts that never gained the community support needed for implementation.

With support from the University of Maryland, the National Center for Smart Growth coordinated a university-wide effort to help Salisbury establish a new vision for its downtown. This work coalesced into the first project of what has become the Partnership for Action Learning in Sustainability (or PALS) program, which has expanded to help other Maryland communities in subsequent years.

The Envision Salisbury process kicked off in the spring of 2014 with students becoming familiar with Salisbury and its downtown through a series of activities and workshops. During the next two years, a partnership among City officials, residents, students in the University of Maryland's architecture and urban planning program, other university faculty, businesses, nonprofits and others collaborated to develop a downtown master plan. The final plan proposes almost $650 million in public and private investment across seven districts and almost 140 public and private projects and priorities. More than 2,500 individuals participated in walking tours, workshops, Third Friday critiques and other opportunities to get involved and make Envision Salisbury their plan.

On April 7, 2016, the City Council adopted the Envision Salisbury and Mayor Day signed it into effect as Salisbury's 20-year Downtown Master Plan. The City has already begun to implement the plan with projects funded in its 2017-21 capital improvement plan.

Garrett County: County and Municipal Collaboration Helps Small Towns Revitalize

Redevelopment can be difficult in any community but is especially challenging in small towns with limited resources. The eight municipalities in Garrett County have addressed this challenge with a formal collaboration known as Garrett County Municipalities, Inc. (GCMI).

Recognizing the importance of working together, the local mayors began discussing problems and the potential of sharing services. GCMI became the platform for stakeholders and agencies to collaborate. At monthly forums, attendees discuss the needs of the towns with agencies and organizations that can most effectively aid the towns in their revitalization efforts.

Revitalization efforts in small towns become better connected to county efforts on economic development, zoning, transportation, recreation, and infrastructure.

To address common challenges, the municipalities pooled resources to hire a shared code enforcement officer, who was also an employee of the Garrett County Community Action Committee (GCCAC). After operating informally for about two years, the towns decided to incorporate the group as a nonprofit organization. The organization's purpose is to enhance and strengthen the cultural, environmental, commercial, educational, civic, and community infrastructure of the eight municipalities and to provide services to each of the eight communities and their citizens at reasonable cost through sharing of services, equipment, supplies, insurance, and staff.

GCMI has a wide range of powers and is governed by a board including several mayors. The organization has the power to acquire and operate property through purchase, lease or donation. After conducting a survey of equipment needs from the public works department in each town, GCMI purchased a towable wood chipper and a road paving/patching machine that the towns share. The process of soliciting bids through GCMI provides the eight towns with the economy of scale to attract better pricing. GCMI members evaluate each town's needs within the context of their relationship to the other municipalities.

Baltimore County: Commercial Revitalization Incentives Bring Activity to Corridors

Baltimore County offers several incentives to support business and property owners in its 16 commercial revitalization districts.

Businesses owners interested in making improvements to building exteriors can request 10 hours of pro bono architectural services through the Architect-on-Call program. The Perry Hall Animal Hospital used this service to modernize its building exterior and landscape its pets' play area.

For capital improvements that increase assessed property value by $100,000 or more, the county offers a five-year real property tax credit. If the improvements cost more than $10 million, the credit lasts for 10 years.

Westminster: Business Incubators Bring Jobs Downtown

The City of Westminster's historic downtown is a pedestrian- friendly place where shops and restaurants occupy small store fronts. A state- designated Main Street, Downtown Westminster follows the approach to economic development developed by the National Trust for Historic Preservation. One of the model's four principles is the cultivation of a healthy mix of businesses on the main street.

To attract a greater variety of retail businesses to enhance the shopping and dining experience in Downtown Westminster, the City of Westminster in early 2014 created a business incubator program in partnership with the Community Preservation and Stewardship Corporation (CPSC). The program offers financial assistance and mentoring to new businesses that meet the following criteria:

- Potential for business sustainability
- Readiness to start operations
- Ability to benefit from resources and services provided by the incubator program
- Compatibility with other businesses along the Main Street corridor
- Availability of needed space.

The program offers grants of up to $5,000 from the CPSC to assist businesses with start-up costs such as rent subsidy, marketing, or software. The Carroll County Business Revolving Loan Fund offers low interest loans of up to $25,000. Recognizing that access to funds is only one part of the equation that leads to sustainable business growth, the program calls for businesses to work with a mentor for 12 to 18 months. Mentors are assigned to incubator participants based on fit, expertise, and needs. Business owners also have access to training through the Carroll Business Path or courses at Carroll Community College's Miller Center for Small Business.

The first incubator business, By the Bay Botanicals, offers homemade candles — many of them made on site in a visible workroom — lavender products, and other local items. By the Bay Botanicals received $2,500 to cover start-up costs. Seven other businesses, including a natural food store, bakery, and auto-repair shop, have submitted applications to participate in the business incubator program.

Elkton: Public-Private Partnership Credits Senior Housing

In Elkton, a public-private partnership succeeded in redeveloping the historic Cecil County Jail. Constructed in 1871 and abandoned and vacant in the historic heart of the town, it was transformed into affordable senior housing.

The Home Partnership of Cecil County, a nonprofit organization, redeveloped the two-story, nearly 11,000-square-foot former jail into 53 apartments known as the North Street Senior Housing Project. The $10.7 million project was financed through a public-private partnership using funds from HUD, the Maryland Department of Housing and Community Development, and the Town of Elkton.

The project meets a local need, as Elkton had a waiting list for affordable senior housing. It also supports the continued revitalization and economic development of Elkton's historic downtown.

The public-private partnership, which combines affordable housing and historic preservation, with the adaptive reuse of an historic site, is unique in Maryland. Because the project was financed in part with Maryland's Partnership Rental Housing Program, the apartments must remain affordable for at least 40 years. Residents must have a gross income that does not exceed 50 percent of the statewide median income adjusted for family size.

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