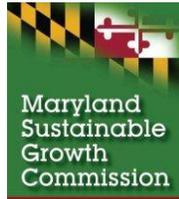


November 27, 2012



Indicators Workgroup Final Report

Executive Summary

Maryland as a smart growth frontrunner needs to regularly assess its progress. The State has established its twelve visions, and the ten smart growth principles are well accepted. The Maryland Department of Planning (MDP) has produced a strong argument through *PlanMaryland* that development trends need adjustment if the visions and principles above are to become Maryland's future. Determining whether the Maryland Department of Planning's residential growth trend maps foretell the future or reflect past policies' legacy development is however an open question. Indicators or performance measures are one tool that can meet the assessment need and answer this question.

Maryland's commitment to indicators was reinforced in 2009 with the passage of the *Smart, Green and Growing – Annual Report Act* by the General Assembly.

The *Smart, Green, and Growing – Annual Report Act* provided:

“the Task Force on the Future for Growth and Development. . .shall make recommendations on the efficacy of additional measures and indicators that the State, the national Center or a local jurisdiction should be required to collect in the following categories of information:

1. Housing choices, including affordability;
2. The impact of growth on the environment, including land, air, and water;
3. The fiscal cost of growth;
4. The job and housing balance;
5. The impact of transportation on growth;
6. The impact of growth on business, including job creation, fiscal impact, agribusiness, tourism, and forestry; and
7. The impact of growth on cultural and historic resources.”

In the spring of 2009, the Task Force for the Future of Growth and Development in Maryland (now Sustainable Growth Commission) formed an Indicators Workgroup to address the legislation's smart growth measures and indicators directive to the Task Force.

The Workgroup evaluated the indicators literature, individual metrics and indicators for their relevance to smart growth, data availability, and the ability of local and State organizations to regularly collect and analyze them. The Workgroup issued a list of available and potential indicators with a preliminary value assessment.

In November of 2009 the Task Force, based on the Workgroup's recommendation, advised the Maryland General Assembly to cautiously approach additional mandatory indicators. At that time, it was clear smart growth indicators needed more study and vetting before thoughtful legislation could be proposed. The Workgroup spent 2010 and 2011 evaluating, vetting, and collecting information about the list of indicators. Several progress reports issued by the Workgroup to the Task Force and now Sustainable Growth Commission are available on the Growth Commission's website.

After three years examining smart growth indicators, the Workgroup concluded that no additional local jurisdiction indicators should be mandated at this time. The Workgroup recommends that the existing required indicators be judged on their usefulness before other mandatory indicators are added. Additionally, the Workgroup recommends the State for its purposes should pursue, in cooperation with local governments, any of the reviewed indicators it deems important for State policy development. This would be undertaken using State resources for implementing *PlanMaryland* and other State initiatives.

Observations

The Workgroup's investigations into the field of indicators require an extensive literature review, examination of other jurisdictions' indicator use, and the indicator beta testing. Based on this work the group can make several observations. To begin, the logic of indicators is obvious, what you measure, you can tend to manage. However, the resources needed to gather data and analyze indicators must be weighed against their value added.

Several indicators have an obvious relationship to smart growth, e.g., the number of dwellings located in designated and appropriate locations, the number of dwellings using public sanitary services, and the acreage of agricultural land permanently preserved. Others while related to smart growth are difficult to define logically; the best example is the jobs-housing balance. Still others, while providing important information about what they measure, tell us little about progress toward achieving smart growth. In this last group, economic indicators give the observer an accurate read on the unit of analysis, i.e., commercial and income generating activity, but provide little information about whether economic change relates to more livable settings (smart growth) or would have occurred regardless of the physical environment.

Some indicators have strong smart growth relationship but are collected infrequently or not at all. This lack of data, at a minimum, eliminates such indicators from consideration. Also current economic conditions and the resulting dearth of staff and fiscal resources would need to change before new initiatives can be accommodated at the local level.

In addition to considering the indicators' workability and value, resource requirements must be assessed. In these times of fiscal austerity, additional required activities are simply beyond many jurisdictions' resources. For many small jurisdictions, this has always been the case, while for others recent staff and budget losses are causing local governments to focus on core responsibilities. This situation makes meeting current fundamental obligations a serious challenge. For both situations, additional activities can only come at the expense of either declining service quality or reduced existing services.

The Workgroup undertook beta testing in four jurisdictions to further refine its observations. This process, conducted in 2011, revealed that several of the workable indicators' data resides with the Maryland Department of Planning's State Data Center or are based on the Census or the American Community Survey. Of the 15 indicators tested, six indicators were completed by the beta jurisdictions; the Maryland Department of Planning collected an additional six. Two indicators were deleted due to data collection issues, and one is already required in local annual reports.

The beta testing was completed in a short period of time, which indicates that a portion of the data and ability to produce indicators exists at the State level either at the Department of Planning or the National Center for Smart Growth at the University of Maryland. That said, the collection of such data and indicators cannot and should not rest solely with the State. Local data, input and review is essential in verifying indicators' usefulness as smart growth measures. For example, the Maryland Department of Planning or the Nation Center for Smart Growth need to periodically collect local water and sewer plan data to determine the number of dwelling units served by public sewer vs. septic. Local jurisdictions should also verify the resulting indicator information prepared by the State agencies.

Recommendations

Tracking Maryland's smart growth progress will aid the development of local and State growth policy. Indicators are the prime candidate for assessing the direction and character of growth. The Indicators Workgroup's efforts over the last three years along with current resource constraints indicate that a new mandatory indicator initiative for local jurisdictions is not necessary to address the majority of the Legislature's directive to the then Task Force and now Sustainable Growth Commission. State level organizations, specifically the Department of Planning and the University of Maryland's National Center for Smart Growth, in cooperation with other State agencies and local governments, have access to much of the data necessary to create a comprehensive indicators set that will allow all involved to track progress toward achieving the smart growth goals.

PlanMaryland is the State's first statewide long-range plan for sustainable growth.

PlanMaryland as an executive policy plan provides a coordinated State strategy for State smart growth efforts, while promoting greater collaboration with local governments. Indicators will be integral to monitoring the Plan's implementation and goal achievement. Working with local and state level stakeholders to collect data and analyze growth trends, the State will use indicators of smart growth results as part of *PlanMaryland* implementation. These indicators will include

information about land use, housing, transportation, economic, and environmental conditions. The information collected will be from State agencies, with MDP acting as the coordinator and the distribution point. As *PlanMaryland* planning area maps are developed and finalized, indicators can be tailored to each planning area. For instance, an indicator related of redevelopment potential would be most useful to look at within “Targeted Growth and Revitalization Areas” and an indicator related to productivity of farmland would be most useful to look at in the context of “Rural Resource Areas”.

With this in mind, the Workgroup offers the following recommendations to the Commission for their consideration:

1. There is a growing lack of local resources for new initiatives. The State has some ability to produce many of the proposed indicators with local cooperation and input. This leads the Workgroup to its primary recommendation, which is: in cooperation with local jurisdictions, the State should pursue the reviewed indicators it deems important for State policy purposes with its resources. This should be done in the context of *PlanMaryland* with input from appropriate State agencies, as well as local governments.
2. Local governments and the State shall work to develop a formal data collaboration process. It should provide for data collection and verification of any State selected indicators needed for *PlanMaryland* implementation and other State initiatives. If new information becomes available to assess an aspect of smart growth, new indicators could be developed to address those issues. Conversely, if information shows certain indicators to be irrelevant or whose collection effort outweighs their value, those indicators should be discontinued. Local jurisdictions shall commit to providing basic information to State agencies that will assist the agencies in developing the indicators.
3. If additional indicators are deemed useful for State policy analysis, State agencies and local governments should work together to add this information to the Department of Planning’s annual report. These should not be limited to the indicators considered by this Workgroup and could be information that is more qualitative in nature.
4. It is recommended that the Maryland Sustainable Growth Commission’s Concentrating Growth Workgroup pursue an assessment of current local government plans and their implementation measures. This assessment should focus on the ability of current measures to produce smart growth. Along with the smart growth assessment, a characterization of current policies’ departure from past practice if earlier policies resulted in sprawl development should be prepared.
5. The *Smart, Green, and Growing-Annual Report- Act* required local jurisdictions’ annual reports to the Maryland Department of Planning to include five measures and indicators of smart growth progress by July 1, 2011. If a jurisdiction processed more than 50 new dwelling building permits, it must calculate:
 - a. Amount and share of growth located inside and outside priority funding areas
 - b. Net density of growth inside and outside priority funding areas
 - c. New lots and number of residential and commercial building permits issued inside and outside of priority funding areas
 - d. Updated development capacity analysis every three years

e. Acres of locally funded agricultural land preserved

The Indicators Workgroup offers the following recommendations to the Maryland Department of Planning about this section of the law:

- 1) The current mandatory annual indicators report submitted by local governments should be analyzed for:
 - i. The value gained by State and local decision-makers from the data received.
 - ii. The inherent inconsistencies and inaccuracies of the data received —what were they and how can they be addressed
 - iii. The usefulness of the data in judging Statewide and local smart growth trends
 - iv. The meaningful trends that are discernible for the State’s smart growth efforts
- 2) State Law requires that several mandatory indicators be reported by inside and outside of the priority funding areas. In addition to this requirement, the Workgroup recommends that indicators should also be reported relative to locally designated growth areas and potential *PlanMaryland* Planning areas.

Next Steps

Indicators will continue to be an important aspect of Maryland’s smart growth efforts. The Sustainable Growth Commission should remain active in the process of reviewing the use and modification of smart growth indicators. Specifically, the Growth Commission should undertake the following steps in the short term, as well as longer term, to advance progress on the of smart growth efforts.

The indicators legislation from the 2009 General Assembly Session (*Senate Bill 276 and House Bill 295 – Smart, Green, and Growing—Annual Report*) requires the Growth Commission to report to the General Assembly on whether to add additional indicators to the list of required locally generated indicators for local annual reports. The Workgroup recommends that the Growth Commission use this report as a basis for its recommendations to the Maryland legislature by December 31, 2012.

The Growth Commission should set a sunset date for the Indicators Workgroup of December 31, 2012. For the future, the Commission should focus on measures and indicators in the context of other Workgroups. The Concentrating Growth Workgroup is currently working on an effort to collect key indicators to create a “Smart Growth Report Card” that will be issued by the Commission annually, beginning with the February 5, 2013 awards program.

Longer term efforts by the Commission on indicators should be related to *PlanMaryland*. There are goals set forth in the plan related to development, environmental protection, land conservation, transportation, etc. MDP, in consultation with the National Center for Smart

Growth, local governments and other stakeholders, should work to track progress toward meeting policy directives in *PlanMaryland*.