

Maryland Sustainable Growth Commission Meeting

January 28, 2013/1:00 p.m. to 4:00 p.m.

Department of Housing & Community Development
100 Community Place
Crownsville, Maryland

Meeting Summary

Members: Jon Laria, Calvin Ball, Derick Berlage, Greg Bowen, David Carey, Diane Chasse, Yates Clagett, Jr., Cheryl Cort, David Costello, Sandy Coyman, Charlotte Lawson Davis, Alan Girard, David Goshorn, Richard Hall, Don Halligan, Frank Hertsch, Gerrit Knaap, Steve Lafferty, David Lever, Mary Ann Lisanti, Robb Merritt, Ursula Powidzki, Dru Schmidt-Perkins, Raymond Skinner, Bryce Turner

Attendees: Marty Baker, Carol Gilbert, Sandi Olek, Christine Shenot

MDP Staff: Amanda Conn, Chuck Boyd, David Dahlstrom, Arabia Davis, Al Feldstein, Rich Josephson, Graham Petto, Pat Russell

Introductions/Administrative Matters

The Chair, Jon Laria, thanked everyone for coming to the meeting. He advised that the 2013 meeting schedule with dates and locations will be sent out shortly. He asked that everyone please note the meetings on their calendars.

Mr. Laria said the Annual Forum and Awards Program is coming together very well and is excited that Chris Leinberger is speaking. Because of the location, Mr. Laria said he expects to have a good number of legislators in attendance. He added there is a nice cross section of winners.

Chuck Boyd said so far he has received over 150 registrants for the event. He encouraged everyone to please register if they had not already done so. There is still capacity at this time if interested.

Governor's Budget/Smart Growth Highlights

Mr. Laria distributed a spreadsheet showing State Agency's core Smart Growth program funding levels. Mr. Laria noted that the Commission voted in December to support increased funding to core Smart Growth programs with the aim of raising at least \$35 million annually. This list is for your information and use in supporting funds for these core Smart Growth programs.

Mr. Hall thanked Carol Gilbert for putting the table together and also thanked members for their input.

Mr. Skinner concurred that the Commission's weighing in, in fact, did have an impact on the Governor's Office, including the funding level requested in their budget. He said that any support from the Commissioner members would be appreciated. He encouraged the Commission members to provide a letter of support to the General Assembly encouraging the passage of the Governor's budget. He further noted that several other Department of Housing and Community Development (DHCD) programs, not directly related to Smart Growth, were not shown on the spreadsheet, but that they have a positive impact on communities. The Department of Housing and Community Development has \$80 million in the Governor's budget for multifamily housing. Mr. Skinner said he is very pleased with the outcome.

Mr. David Lever said there was an increase of \$75 million for Interagency Committee projects in the Governor's budget, which included the Air Conditioning and School Security Initiatives. The Baltimore City proposed block grant legislation is the biggest issue this session from a school funding perspective. The proposal is to leverage \$2.4 billion in State funding over a 10 year span. Mr. Lever noted that there is a lot of skepticism with this block grant proposal. The primary question is - should the State use debt to leverage debt, and does the City have the capacity to properly manage and implement its 10 year plan? Mr. David Costello asked whether or not the Commission should weigh in on the City's Block Grant Bill and address the skepticism. No action was taken by the Commission.

Mr. Don Halligan stated that municipalities were struggling with the diminishing revenue sources for road improvements. He indicated that an Administration bill on transportation funding will be forthcoming and is expected to address this issue.

Ms. Powidzki reported that Department of Business and Economic Development has an opportunity for increased General Funds for its programs.

Mr. Costello stated that the Chesapeake Bay Restoration Fund in the Governor's budget has increased to \$31.5 million, which will help to address needed improvements and upgrades in the watershed. He will make sure the Commission is in the loop on this issue.

Mr. Laria introduced and welcomed Charlotte Lawson Davis as the newest member to the join the Commission. Ms. Davis will be representing the Rural Maryland Council.

2013 Legislative Update

Commission supported proposed TIF Bill

Ms. Conn briefed members on the TIF 2013 Bill – land use summary of TIF Bill and Sprint. The summary allows in a TIF property tax revenues and also expands for sustainable communities. She advised that members could review the Sprint pre-submitted version of the bill, which is a simpler version. Ms. Conn referred members to the materials handed-out.

Ms. Schmidt-Perkins asked whether there is a potential of using tax increment financing (TIF) for highways located outside of a Priority Funding Area.

Ms. Conn responded that they must be in a PFA and designated Sustainable Communities.

Mr. Laria said the bill is a tool that can be enhanced and gives priority to designated smart growth areas. Mr. Laria advised members that they will be notified when a hearing date is scheduled and that there was no action required of the Commission.

Mr. Steve Lafferty inquired about how many jurisdictions currently use TIF, in any form.

Ms. Conn responded by noting the fiscal note/report from the Department of Legislative Services had not been generated prior to this meeting. However, there was a report done by a consultant of the Financing Smart Growth Subcommittee that was investigating this issue. Ms. Conn will work with MDP staff to get a copy of the consultant's report to the Commission. She elaborated that funding priority would be given to designated Sustainable Communities.

Delegate Sponsored Legislative Bills:

Mr. Steve Lafferty reported that he is sponsoring a bill on the Community Investment Tax Credit. The bill would allow non-profit entities the flexibility to make contributions. He noted there is a bill hearing on this next week.

Another bill Mr. Lafferty sponsored will enable local governments to grant increased tax credits for restoration of properties determined to be historically or architecturally valuable.

Mr. Lafferty also mentioned a bill being sponsored by Senator Middleton, which would increase the percentage of recyclables. This bill has not been filed as of yet.

Another bill mentioned by Mr. Lafferty, sponsored by Delegate Maggie McIntosh would the change of submittal time for local comprehensive plan from 6 years to every 10 years.

State agency monitored bills:

Mr. Don Halligan mentioned a bill on Public/Private Partnership. The Lt. Governor's office, MDOT and DGS will take the lead on this effort. MDOT staff is helping them to identify projects for funding.

Mr. Hall briefed the Commission on HB 106, which attempts to repeal the Septic's Bill. A hearing date will be scheduled for members of the Environmental Matters Committee. Some progress has been made on implementing the Septic's Bill. Several counties have adopted their Growth Tier Maps. However, there are two counties that have ignored the intent of this bill. Comment letters have been sent to those counties for consideration before holding the required public hearing. MDP will continue to work with the counties to ensure they are in compliance with the law.

Ms. Dru Schmidt-Perkins said a 1000 Friends of Maryland will be releasing an updated map "Path to Preservation" tomorrow. This updated map serves as assessment / report card to make the counties more accountable for not following the intent of the law. The updated map shows that some "certified" agriculture preservation counties are not adequately protecting their farmland resources.

Mr. Alan Girard questioned whether there were other measures in place that could ensure that the counties complied with the intent of the “Septic’s Bill.” He noted that staff at MDP has sent letters requesting changes to the maps to reflect something more acceptable to their standards.

Other Legislative Bills of Interest:

Mr. Laria presented highlights of proposed legislation that is in development entitled the “Triple Bottom Line”, a potential Maryland Smart Growth Investment Funding. He said that members of the General Assembly are interested in attracting more private investment in Sustainable Communities. He summarized how this effort might work possibly by combining the public funding with private investments, possibly including private equity funds or large institutional investors, such as pension funds. Mr. Laria noted to accelerated smart growth investment, we need to attract more private capital. There are some models of this financing strategy in other parts of the country that may be applicable to Maryland. Mr. Laria stated no funding bill to share with the Commission right now. Senator Rosapepe is drafting the bill, and it is likely the bill may just introduce the concept and initiate workgroup study.

Mr. Lever asked whether the funds from this proposal could be used to leverage debt.

Mr. Laria’s response was that they had not worked out all of the details and that the fund would provide a financial, social and environment return. Mr. Lever may be asked to participate on the development of this proposal given his expertise in this area.

Mr. Jon Laria requested that Mr. Hall give a briefing to the Commission on the status of the Bill at the next meeting

Presentation on the Sustainable Transformation of the Appalachian Region (STAR)

Mr. Gerrit Knaap presented a quick summary on the STAR effort. He mentioned that he will be presenting on both the STAR and the Sustainable Equitable Economic Development (SEED) projects at the May Commission meeting. Mr. Knaap noted that he collaborated with Mr. Hall and MDP staff to perform an analysis on economic development opportunities and how PlanMaryland might be affected by this effort. He has presented the National Center for Smart Growth’s recommendations to Western Maryland appointed and elected officials. The results of the STAR effort can be found on the Center’s web.

Mr. Laria noted that the Concentrating Growth Workgroup has a Rural Subgroup and wondered the best approach to have the issues identified in the STAR Initiative be considered by this group in helping shape smart growth in rural counties. Mr. Laria indicated that he would like to get this Subgroup more involved in these types of issues. Commission members were asked to speak with Mr. Laria after the meeting if they had an interest in joining the subcommittee. Mr. Bowen said he would like to be a part of this subcommittee.

Mr. Knaap suggested that it might be more efficient if the Rural Smart Growth Sub-Committee be removed from under the Concentrating Growth Workgroup and be made into its own workgroup.

Overview on the 2035 Maryland Transportation Plan (MTP)

Mr. Halligan distributed several hand-outs for his presentation. He thanked the Chairman and members for allowing him to give this presentation. He began by saying that every five years MDOT has to update the Maryland Transportation Plan. It needs to be completed by January 2014. MDOT has had three public roundtable meetings so far and has involved various stakeholders in reshaping the Plan's goals. He noted that so far this has been very productive process.

Mr. Halligan went through his presentation and reviewed the MTP goals, schedule, performance measures and investment scenario.

Mr. Laria asked Mr. Halligan what he felt was the most productive way for the Commission to engage in this effort. Mr. Halligan replied that he is hoping that he can periodically brief the Commission, but he added the Plan update process is just getting off the ground right now. He encouraged members to take a look at the goals and objectives and get back to him with suggestions or questions.

He added that if there is enough interest, he will be happy to set up a group meeting.

Mr. Bowen said he hopes that MDOT comes up with a set of criteria to review projects as a result of updating the MTP. Mr. Halligan replied that MDOT currently has a review process, but agreed the updating of the MTP provide the opportunity to improve their project evaluation system.

Ms. Schmidt-Perkins suggested having a smaller group workshop, and she would like for MDOT to circulate the 2009 Plan. Mr. Laria suggested scheduling a separate opportunity for the Commission members to participate in a similar session, like the public roundtable discussion, outside this meeting, maybe at MDOT's headquarters.

Mr. Lafferty questioned whether the MTP outreach sessions were useful and could you characterize the reaction, if any, from the government officials. Mr. Halligan's response was that the process has been helpful because it allows the stakeholders to begin to rethink their transportation related request. There is still a long way to go before this process is complete. Also, there is still some reluctance to define the transportation needs in a way that is productive. The current system tends to create an expectation that all projects will take place – somewhat the reverse of “unfunded mandates.” Unfortunately, with current revenue sources, there just isn't enough funding to address every worthy project.

Mr. Knaap expressed concerns about the PlanMaryland workgroup not having enough coordination with regards to the Maryland Transportation Plan.

Mr. Hall said the PlanMaryland geographies will need to tie into the MTP.

Education Workgroup

Mr. Calvin Ball said the Sustainable Growth Challenge is moving forward. He then introduced Ms. Sandi Olek and Ms. Christine Shenot, members of the Education Workgroup. Mr. Olek reviewed the Challenge program and said the idea was generated by members of their group. It includes engaging local partners and private creative solutions. This program offers real world experience for students at the college and community college level. The initial details have been hammered out, and we are now looking for sponsors.

Mr. Ball said that the group has been working very hard on this effort and noted that Peter Conrad started off with reaching out to departments and universities. He welcomed ideas from the Commission. Mr. Ball said the Education Workgroup will continue to explore initiative with future meetings sometime in February or March. We will continue to brief the Commission as we move forward. Mr. Ball asked Commission members to let him know if they are interested in being mentors for this program.

Mr. Laria said there is a ton of good information here. He is interested to see what priorities the Education Workgroup will identify and the timeframes to initiate the projects. Mr. Laria added he appreciates everyone's hard work.

WIP Workgroup

Mr. Alan Girard said the workgroup has completed a lot of work. He then asked Mr. Costello to provide an update to the Commission on the newly formed AfG workgroup. Mr. Costello said that by the end of June 2013, the recently formed MDE workgroup will have worked through all of the key issues concerning the Accounting for Growth Strategy to ensure all stakeholders will have had a chance to have their concerns addressed. To date there has been only one meeting, which was an introductory meeting. There were 15 to 20 key issues identified through public discussions that need addressed. We need to tackle a couple of these key issues at each meeting. Recommendations are needed by the Workgroup by June. Mr. Costello reported that a consultant has been hired to help with the facilitation process. Mr. Girard noted that he would like to attend as an observer and would like to be notified of future meetings.

Mr. Laria questioned how Commission members could participate, while avoid any appearance of bias. Mr. Costello explained that there will not be an up or down vote on comments. The Commission discussed how the MDE workgroup meetings will be monitored and reported back to the Commission. Mr. Costello said that they were looking for recommendations and welcomed the Commission's participation.

Adequate Public Facilities Workgroup

Mr. Frank Hertsch gave a brief report on the APFO Workgroup. He reported that the workgroup submitted a draft report and is moving forward. Mr. Lafferty questioned the uniformity of the APFO information submitted by local governments, given the variations at the local level. Mr. Hertsch responded that the uniformity of the information was one of the challenges identified through this study, and will be a goal for greater uniformity in future APFO submission by local governments. He informed the group is working on a series of recommendations to address a number of identified conflicts and concerns.

Mr. Halligan asked whether the local jurisdictions are mitigating the APFO concerns. He noted that some developers are willing to make road and infrastructure improvements. Mr. Hertsch stated this issue is discussed to some degree in the report, but the issue will require further research moving forward.

Mr. Laria suggested the initial report could start to answer some of the Commission's questions and identify longer term research concerns to be investigated. He asked that the report be brought to the next meeting for discussion.

Housing Workgroup

Mr. Lafferty said he will email the draft Housing Policy Framework report to everyone for their comments. He and Mr. Skinner have taken the lead in terms of creating the framework. He has worked with some developers and stakeholders, but has not had any representation from staff at MACo or MML. He also mentioned that Marty Baker from MDOT has provided some very good input. There is a number of research pieces still needed, including best practices. This document will help to answer the question on how the State will provide housing units to stimulate more investment. Currently, there is not a legislative agenda.

Mr. Skinner said he would like the Commission to weigh in on this to help them determine the best method to position this document in terms of other initiatives that are taking place. He reaffirmed that they will get the document out to the Commission for review and comment.

Mr. Skinner and Mr. Knaap agreed to meet to discuss how the State can stimulate local governments to move in the direction of the housing goals and strategies laid out in the plan. Mr. Knaap mentioned that a drilled down analysis on zoning and examples of what the build out would look like would be useful.

Indicators Workgroup

Mr. Laria mentioned that a meeting is being set-up to discuss what role the Indicators Workgroup should play moving forward, since submitting its final report. Eventually the work of this group may be rolled into PlanMaryland because there are some noticeable overlapping areas. He said we need to further discuss this issue. The group is dwindling down and needs some new blood. There are some serious recommendations that are being picked up by other workgroups. Indicators are important because they help define where we are going with Smart Growth. Mr. Laria asked to schedule a meeting of key participants before the next Commission meeting.

PlanMaryland Workgroup

Mr. Knaap reported the workgroup had met with a number of State agencies. New members have been invited to the workgroup to get a broader representation to address the myriad of issues associated with implementing PlanMaryland. The group has been meeting monthly.

Concentrating Growth Workgroup

Mr. Berlage said a new version of the Financing Smart Growth document will be sent out to the Commissioners. Mr. Laria asked for endorsement and acceptance of the document as amendments are to be made on pages 2 and page 18. Mr. Berlage made the motion to approve

the document, as amended, and Ms. Lisanti seconded the motion. The question was called and the motion was approved unanimously – endorsing the document, as amended.

Mr. Berlage reported that Rich Josephson has done tremendous work on the Smart Growth Status Check. This document was previously called the “Smart Growth Report Card” report. A hand-out was distributed, and Mr. Berlage briefly went through the report.

Ms. Schmidt-Perkins inquired about the lay-out of the document. She felt that some of parts of the document needed improvement. Mr. Berlage felt that it was a good start and was pleased to see that multi-family was included for the first time.

Mr. Coyman felt that measuring growth in PFAs does not necessarily mean “Smart Growth.” He pointed out that local communities can designate future growth areas, which may not match PFAs.

Ms. Powidzki felt the proposed measures are probably appropriate for general public review. She noted from a general perspective, what is really useful is real time analysis. She added having the most recent data will be helpful to everyone.

Mr. Girard said we need to find the right measures and suggested looking at the State’s effort to clean up the Bay and its messaging. He recommended plugging into the milestones they use.

Mr. Goshorn offered help to include DNR information. Mr. Costello said MDE can help with the Greenhouse Gas Reduction information.

Mr. Hall said he understands the frustration trying to develop a reporting instrument for smart growth and doesn’t want folks to get discouraged.

Mr. Laria spoke about the recent efforts of the Streamlining Subcommittee, which is scheduled to meet with the highest level of leadership in Prince George’s County to begin discussion on a joint State / Local Streamlining regulatory process pilot project. Mr. Laria noted that County Executive Rushern L. Baker has expressed an interested in establishing such an effort. This process was created based on the fact that many of the delays in the permitting process are associated with the local government approval process.

The meeting adjourned at 4:20 p.m.