



Reinvest Maryland Workgroup

July 24, 2017

To: Susan Summers, Chairman, Maryland Sustainable Growth Commission

From: Jessica Zuniga, Chair

Subj: Status Report on Reinvest Maryland Revision Activities

Date: July 18, 2017

The Reinvest Maryland Workgroup has been redrafting the Reinvest Maryland document into a practical toolkit that local communities can use to guide their redevelopment activities, illustrated by tools, resources and best practice examples. The examples included in the original document are being supplemented by newer tools and case studies that exemplify the policies and outcomes discussed in the document. As discussed in May, these examples are being categorized into urban, suburban and rural categories so that toolkit users will be able to easily identify the tools and resources most relevant to them. We are also classifying tools and resources into state and local categories for easy reference.

A first draft of Reinvest Maryland "2.0" document is complete and currently being reviewed by the Workgroup members and was also forwarded to State agencies for review and comment. The attached Workgroup schedule details the incremental review and revision of the Reinvest Maryland 2.0 document. Workgroup comments on the first draft are due July 28, followed by Workgroup review meetings early in August. It is anticipated a revised draft will be transmitted to the full Commission in mid-August with final Commission comments by August 30. The final Reinvest Maryland 2.0 document is tentatively scheduled for endorsement by the Commission at the September 25 meeting in North Beach.

The Workgroup also met twice since the last Sustainable Growth Commission meeting to focus on identifying potential legislative initiatives associated with Reinvest Maryland that the Commission may want to consider pursuing during the next legislative session. The Workgroup has identified the following legislative priorities for the Growth Commission to consider advancing with State agencies and other interest groups. (It should be noted that these are legislative priorities in concept and specific legislative objectives may still need to be drafted.):

- Pursue legislation to expand the eligibility of the One Maryland Program to include distressed municipalities which are not located in distressed counties.

- Pursue legislation to increase the flexibility to fund community projects, pre-development, operating costs, capacity building, etc. The specific funding options to advance this objective include:
 - Increased Operating Assistance Grants Program funding, and/or
 - Community Development Fund (HB1514/SB812)
- Support the addition of \$750,000 in funding for the Maryland Main Streets, as proposed in Governor Hogan's 2017 budget.

While beyond the scope of immediate legislative initiatives, the Workgroup also recognizes the need and supports the continued examination of opportunities to encourage reinvestment through regulatory relief and increased flexibility with:

- PFA law
- Forest Conservation Act
- Building Codes
- Stormwater Management Regulations

Debbie Carpenter also presented a letter from the Rural Economies Workgroup's Rural Development & Recreation Subcommittee on its recommended policy priorities for the Workgroup to consider. (*See attached.*) Ms. Carpenter explained the Subcommittee's assessment process and noted the Subcommittee identified the following recommendation:

To accelerate reinvestment, the Governor and General Assembly must better direct existing funding to support infill, redevelopment and revitalization.

- a. Provide for flexible funding for community projects, operations, capacity building, etc. for community development organizations.
- b. Expanded opportunities to use Tax Increment Financing (TIFs) at different scales by using state revenues to support TIF, providing more flexible authority to use local revenues to support TIF, allowing area-based and pay-go TIFs, structuring small-scale TIFs that 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.
- c. Expanded uses for funding for predevelopment and operating costs.

The Rural Development Subcommittee's recommendation will be forwarded to the Growth Commission for consideration as part of the overall discussion of Reinvest Maryland future legislative priorities.

Reinvest Maryland 2.0 Workgroup/Commission Review Schedule

As of July 19, 2017

Date	Workgroup/Commission	Meeting Purpose
July 10, 2017	Workgroup	Identify Policy Priorities to present to Commission Review & approve Review Schedule
July 14	Send Draft RMD 2.0 to Workgroup	
July 18 @ 2 PM	Workgroup	Follow-up Discussion on Policy Priorities & Initial Comments on RMD 2.0
July 24, 2017	Commission	Review & Recommend Policy Priority to be pursued for next Legislative Session
July 28, 2017	Workgroup comments due	
July 31, 201	Workgroup	Review Comments submitted on RMD 2.0
Week of August 7 (1)	Workgroup	Final Review of Comments and okay to send RMD 2.0 to full Commission
Week of August 14	Send RMD 2.0 to full Commission	
Week of August 21 (2)	Workgroup	Follow-up Discussion on RMD 2.0 on any comments received & Policy Priority Recommendations
August 30	Commission comments due on draft RMD 2.0	
Week of September 4 (3)	Workgroup	Follow-up Discussion on RMD 2.0 comments & Policy Priorities
Week of September 18	Send to Commission final version of RMD 2.0	
September 25, 2017	Growth Commission endorses RMD 2.0	



RURAL DEVELOPMENT & RECREATION SUBCOMMITTEE Rural Economies Workgroup

Jessica Zuniga, Chair
ReInvest MD Workgroup
Sustainable Growth Commission
c/o MD Dept of Planning
301 W. Preston St, Suite 1101
Baltimore MD 21201

Dear Ms. Zuniga,

The Rural Development & Recreation Subcommittee is a subcommittee to the Rural Economies Workgroup. We reconstituted in December of 2016 and established the following purpose and strategies for our work over the next year.

Purpose: To improve Maryland's smart growth model to better address rural land use and economic development needs, and the economic wellbeing of rural communities

Strategies:

1. Investigate ReInvest Maryland to identify opportunities to enhance reinvestment efforts in rural communities.
2. Create specific recommendations to improve rural reinvestment opportunities, including identifying funding mechanisms, responsibility for actions and accountability.
3. Identify pilot projects that could serve as a model for broader efforts where appropriate.

As you can see, our mission and the mission of the ReInvest MD Workgroup closely align, and we have worked diligently throughout this year to review the ReInvest MD document, searching specifically for those initiatives that will most greatly benefit rural communities. As we have narrowed our focus and kept abreast with your Workgroup's efforts, we have found 5 main areas where our work aligns. We see these areas as the basis for the formation of recommendations that we will more fully detail during the remainder of this year and in years beyond. Those areas are:

1. Addressing the cost of building and maintaining infrastructure
2. The need for technical assistance
3. The need to aid small businesses
4. The need for infrastructure and development funding, whether it be new sources, redirecting existing sources or more reliable sources
5. (a) Enhancing communication and coordination between agencies & with the applicant during the development process, as well as (b) improving, adding flexibility to and streamlining regulations and processes.

We are aware of your Workgroup's current focus on recommendations that may need legislative action in order to bring them to fruition. We have discussed what sort of recommendation would align with your efforts and would offer the following suggestion which combines parts of a previous recommendation within ReInvest MD with additional suggestions germane to rural areas of the state.

Recommendation:

To accelerate reinvestment, the Governor and General Assembly must better direct existing funding to support infill, redevelopment and revitalization.

- a. Provide for flexible funding for community projects, operations, capacity building, etc. for community development organizations.
- b. Expanded opportunities to use Tax Increment Financing (TIFs) at different scales by using state revenues to support TIF, providing more flexible authority to use local revenues to support TIF, allowing area-based and pay-go TIFs, structuring small-scale TIFs that 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.
- c. Expanded uses for funding for predevelopment and operating costs

In addition, though we understand that such a task is beyond the scope of the current timetable for the upcoming General Assembly session, we feel strongly that every effort should be made to examine current laws (such as Priority Funding Areas, the Forest Conservation Act, stormwater regulations and building code requirements) in an effort to find opportunities to introduce flexibility. Laws sometimes have unintended consequences, certainly when applied equally to areas that do not have equal need or capacity. We believe that honestly examining those laws and being open to making minor changes that will address the unintended consequences, will only serve to enhance that law and make it more beneficial for all residents of the state of Maryland. We would be interested in participating in any effort in this regard that may occur in the future.

In closing, thank you for the opportunity to comment. As we carry on with our work to produce actionable recommendations concerning infill, redevelopment and revitalization within rural areas, we look forward to continuing the valuable dialogue between our groups.

Sincerely,

Deborah Carpenter, Chair
Rural Development & Recreation Subcommittee