



HOWARD COUNTY DEPARTMENT OF PLANNING AND ZONING

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Subject: Testimony for Council Bill __-2023 – Adoption of HoCo By Design

To: Brandee Ganz
Chief Administrative Officer

From: Mary Kendall, Acting Director
Department of Planning and Zoning 

Date: May 25, 2023

The Department of Planning and Zoning (DPZ) supports Council Bill __-2023, which proposes adoption of Howard County's new general plan, HoCo By Design. Once each decade, Howard County updates its general plan, a long-range policy guide that informs decisions on growth, development, land use, transportation, economic development, community character, natural resources, housing choices, and infrastructure over the next twenty years.

Approach:

HoCo By Design aspires to improve upon its predecessor, PlanHoward 2030, with a four-pronged, aspirational approach towards greater equity, predictability, sustainability, and achievability.

- **Equity** is about crafting a future ripe with opportunities for ALL people and ALL communities, including access to attainable housing, amenity-rich neighborhoods, high-quality education, and economically-uplifting employment.
- **Predictability** informs future land use with greater detail and specificity of future outcomes, and guides budget priorities to align decisions for a shared understanding of direction and sequencing.
- **Sustainability** is about shaping growth and preservation in a manner that protects our valuable natural resources, reduces environmental impacts through vertical and compact development, and responsibly balances and grows our fiscal resources to deliver the government services that enhance our quality of life.
- **Achievability** aims to provide realistic direction that is grounded in stakeholder input, considers resource limitations, and helps the County measure progress toward attaining the community's vision.

Plan Contents:

HoCo By Design includes eleven chapters, three technical appendices, and a plan for the Route 1 Corridor. The Route 1 Corridor Plan should be read as a supplement to the broader policies and implementing actions of HoCo By Design. It builds from the master planning initiative that was launched in 2018 and subsequently woven into HoCo By Design.

Public Engagement:

The scope of community engagement that has been conducted for HoCo By Design is unprecedented for Howard County. From 2020 to 2022, the team facilitated nearly 100 community meetings, collected approximately 1,700 survey forms, and compiled roughly 12,000 public comments. In addition, a new engagement platform—following a focus group format—was launched to target conversations with populations traditionally underrepresented in planning efforts. Through this platform the project team reached over 100 individuals representing diverse backgrounds, ages, and ethnicities.

Fiscal Impact:

There is no immediate fiscal impact associated with adoption of this Council Resolution. However, a fiscal Impact Analysis (Attachment 1) was prepared as a related resource to HoCo By Design. It assesses the implications of future growth in terms of both projected revenues and expenses for supporting public services and facilities. The fiscal impact analysis was reviewed by the Howard County Spending Affordability Advisory Committee. A report (Attachment 2) summarizing their recommendations and how they were incorporated into the analysis has also been included as a related resource to HoCo By Design.

General:

Non-substantive edits have been made to the text and graphics in the Council draft of HoCo By Design to ensure accurate information and improve readability of the plan.

Attachments:

1. HoCo By Design Fiscal Impact Analysis – Fiscal Impact Results
2. Spending Affordability Advisory Committee – HoCo By Design Fiscal Impact Analysis Report
3. Planning Board Recommendation letter
4. DPZ's Technical Staff Report

cc: Angela Cabellon, Chief of Staff
Brian Shepter, Deputy Chief of Staff
Jennifer Sager, Legislative Coordinator
Jessica Bellah, Deputy Director, DPZ
Kristin O'Connor, Division Chief, Comprehensive and Community Planning, DPZ
Kate Bolinger, Planning Supervisor, Comprehensive and Community Planning, DPZ



HoCo By Design
Fiscal Impact Analysis

Fiscal Impact Results

January 23, 2023

**Prepared by:
Howard County Department of Planning and Zoning
Division of Research**

Introduction

This report summarizes the fiscal impact results of the draft *HoCo By Design* plan released in December 2022. For details on all the cost and revenue assumptions used please refer to the separate *HoCo By Design Fiscal Impact Analysis, Methodology and Assumption Document* dated December 6, 2022. For previous fiscal analyses conducted as part of the *HoCo By Design* planning process, please refer to the *HoCo By Design Scenario Planning Guide* dated March 2021. This can be found on the [HoCo By Design](#) website.

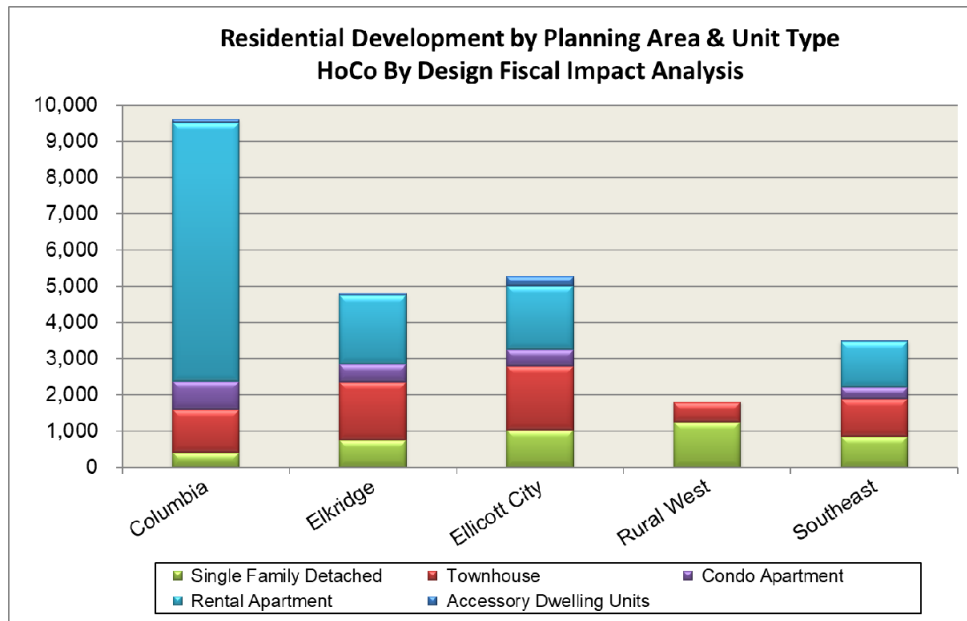
For this current analysis, the fiscal model has been updated to include the latest adopted Howard County operating and capital budget (FY 2023). The residential and nonresidential growth projections as indicated in the draft *HoCo By Design* plan has also been used.

Land Use Projections

The residential projections in the draft *HoCo By Design* plan are summarized below. A total of 25,000 dwelling units over 18 years are projected (2022 to 2040). A base year of 2022 is used for this fiscal analysis given the FY23 budget beginning in July 2022 has been used to develop the most recent cost and revenue factors.

Residential Development by Planning Area & Unit Type - 18 Year Total (2022 to 2040)
HoCo By Design Fiscal Impact Analysis

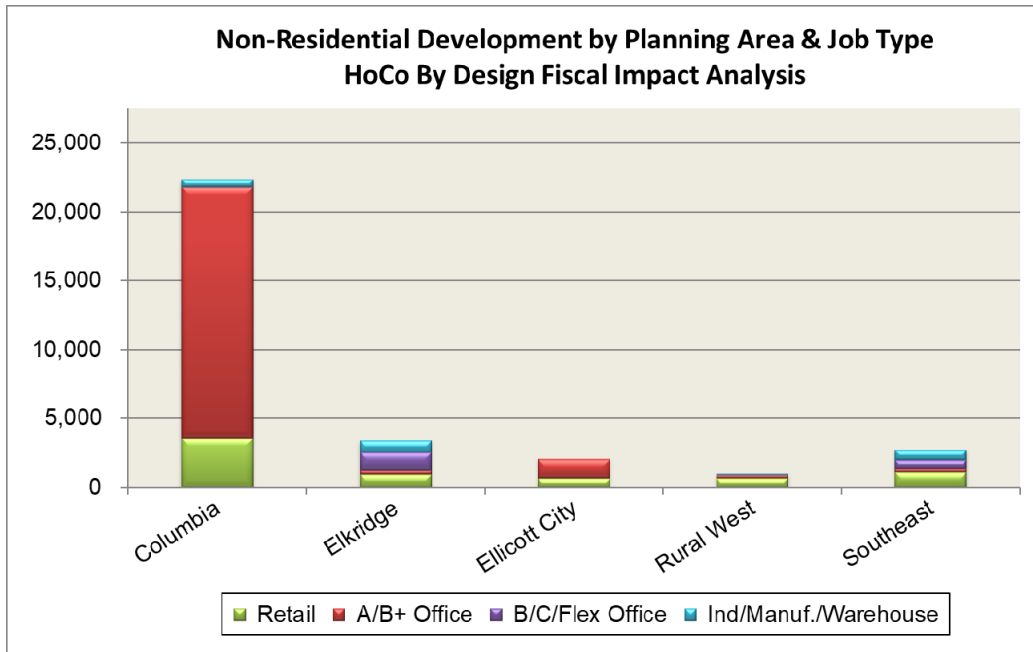
Unit Type	Columbia	Elkridge	Ellicott City	Rural West	Southeast	Total
Single Family Detached	414	756	1,026	1,254	846	4,296
Townhouse	1,170	1,602	1,764	540	1,035	6,111
Condo Apartment	792	486	450	0	324	2,052
Rental Apartment	7,133	1,908	1,764	0	1,268	12,073
Accessory Dwelling Units	108	54	270	0	36	468
TOTAL	9,617	4,806	5,274	1,794	3,509	25,000



The non-residential land use projections in the draft *HoCo By Design* plan are summarized below. A total of 31,500 jobs are projected over the 18-year period from 2022 to 2040.

Non-Residential Development by Planning Area & Job Type - 18 Year Total (2022 to 2040)
HoCo By Design Fiscal Impact Analysis

Job Type	Columbia	Elkridge	Ellicott City	Rural West	Southeast	Total
Retail	3,596	956	667	675	1,109	7,003
A/B+ Office	18,197	273	1,341	225	248	20,283
B/C/Flex Office	0	1,294	0	0	617	1,911
Ind/Manuf./Warehouse	572	879	0	90	762	2,303
TOTAL	22,365	3,402	2,008	990	2,735	31,500



Fiscal Impact Results

The table below summarizes the projected average annual fiscal results over the 18-year analysis period assuming a 2.5% average annual rate of inflation. Based on the current cost and revenue structure and service levels in the County, the fiscal analysis determined that new growth would generate significantly more revenues than costs for services and infrastructure. Average annual revenues totaling \$228 million and costs of \$169 million result in an average annual net revenue gain of \$59 million over the 18 years from 2022 to 2040. Cumulative net revenue gains total \$1.06 billion in this time period.

The table also shows the annual costs and revenues in the first and final years of the plan (2023 and 2040). The annual net revenues from new growth in Year 1 results in close to \$30 million, and the annual net revenues in Year 18 based on the additional new growth results in more than \$96 million.

**HoCo By Design Fiscal Impact Analysis WITH 2.5% ANNUAL INFLATION - Final Draft Plan
18 Year Average Annual Results and Annual Results in Year 1 & Year 18 (X 1,000)**

Years ==>	Avg. Annual	Year 1 (2023)	Year 18 (2040)
Operating Revenues			
Property Tax	\$98,883	\$7,830	\$214,156
Fire Tax	\$21,907	\$1,734	\$47,445
Income Tax	\$49,681	\$3,933	\$107,610
Other Local Taxes	\$8,827	\$4,054	\$14,756
Other Revenues	\$2,380	\$188	\$5,156
Total Operating Revenues	\$181,678	\$17,740	\$389,123
Capital Revenues			
Transfer Tax	\$7,925	\$3,960	\$12,827
Road Excise Tax	\$8,177	\$6,585	\$9,988
School Surcharge	\$30,455	\$24,522	\$37,202
Total Capital Revenues	\$46,557	\$35,067	\$60,017
TOTAL REVENUES	\$228,235	\$52,807	\$449,140
Operating Costs			
HCPSS	\$57,828	\$4,584	\$125,113
Community College & Libraries	\$8,031	\$636	\$17,396
Public Safety	\$36,639	\$2,902	\$79,345
Public Facilities	\$9,157	\$725	\$19,833
Community Services	\$10,047	\$795	\$21,763
Other General Government	\$8,616	\$682	\$18,662
Total Operating Costs	\$130,317	\$10,324	\$282,112
Capital Costs - PayGo and Debt Service			
HCPSS	\$21,114	\$9,608	\$34,578
Comm College & Librarires	\$1,986	\$157	\$4,302
Roads	\$6,014	\$548	\$12,241
Fire Stations	\$2,192	\$1,765	\$2,678
Parks and Recreation	\$907	\$72	\$1,964
Other County	\$6,833	\$541	\$14,800
Total Capital Costs	\$39,046	\$12,692	\$70,564
TOTAL COSTS	\$169,364	\$23,016	\$352,676
NET FISCAL IMPACT	\$58,872	\$29,791	\$96,464

Source: Howard County Department of Planning and Zoning, Research Division

The largest revenue sources to the County are property and income taxes. Combined, they generate about 90% of total operating revenues. The Maryland tax structure allows counties to assess both property tax and local income tax by *place of residence*. This tax structure is unique, as most counties in the United States do not have a direct local income tax, and instead rely on other sources such as a local retail sales tax to raise revenues. Howard County's authority to assess both property and income tax locally is a leading reason new residential development contributes to the positive fiscal outcome.

Different land uses require different levels of service and infrastructure needs. For example, single family homes, with greater numbers of students, require more in school service and

facility needs compared to multifamily homes, while non-residential land uses require no school services at all. These differences have been accounted for in the fiscal analysis. For details on the various service level factors used for the different land use types please refer to the separate *HoCo By Design Fiscal Impact Analysis, Methodology and Assumption Document* dated December 6, 2022

The Importance of One-time Revenues

Another significant reason why new growth is a net positive to the County budget is because of multiple one-time revenues collected from new construction. These revenues include transfer and recordation taxes, the school facilities surcharge, and road excise taxes, and are used to help pay for new capital facilities and operating costs. For example, the school surcharge is collected at the time of building permit issuance for each new home built in the County. The school surcharge rate was recently increased from \$1.32 per square foot to \$7.50 per square foot beginning in 2022. Road excise taxes are collected on both residential and nonresidential development. Transfer taxes are collected at the time of sale at a rate of 1.25% of the sale price and are used for various other capital expenditures including fire and rescue capital equipment, school construction, housing and community development, agricultural preservation, and park development. These one-time revenues, derived from new residential and non-residential growth, make up a significant portion of the net revenues to the county each year.

Schools are the Most Significant Cost

About half of the County's operating budget, including debt service for capital needs, goes towards the public school system each year. The fiscal analysis shows that new growth generates enough revenues to pay for the new school seats required as well as their on-going systemic maintenance needs such as HVAC and roof replacements. (See Pages 31-32 of the *Methodology and Assumptions Document*.) However, there is an increasing need to fund the renovation of older schools that are nearing the end of their useful life. This is becoming increasingly significant as school buildings originally built four or more decades ago continue to age. This dynamic is like other counties in Maryland and represents a statewide funding challenge. The State recognizes this challenge and has been working towards additional funding to help local counties face this mounting challenge. This is exemplified by the Built to Learn Act recently passed in 2021 authorizing the State to issue up to \$2.2 billion in debt for the construction of public school facilities throughout the State, and new State pass-through grants including \$35 million to support HCPSS projects per SB291-2022 passed in 2022.

Costs to Maintain and Rebuild Aging Infrastructure

In addition to school buildings, much of the County's public infrastructure was built in the 1950s and the decades following as suburban growth patterns emerged. A significant portion of this early infrastructure was funded with the assistance of state and federal funds, which are no longer available to the same extent. The County uses a variety of sources (general obligation bonds, pay-as-you-go funding, school surcharge, transfer taxes, and road excise tax revenue) to support infrastructure on an annual basis. However, renovation needs are increasing as roads and buildings and other capital facilities reach the end of their useful lives. This is a new budget

reality for Howard County, and future capital budgets should prioritize renovation and replacement needs alongside the need for new infrastructure to accommodate planned new growth.

The additional net revenues generated from new growth, as shown in the fiscal analysis, may be used to help pay for these infrastructure replacement needs. This has been part of the fiscal structure as the County has grown in recent decades. However, it is important to recognize that the fiscal structure may need to be adjusted to better accommodate an increase in renovation costs relative to the costs of associated with new growth. Furthermore, it should be recognized that as growth slows given the dwindling land supply and uncertainty of redevelopment, the additional revenues generated from new growth will decrease, resulting in further funding challenges. New funding strategies and perhaps adjusted service level priorities will need to be developed to address this changing landscape.

SPENDING AFFORDABILITY ADVISORY COMMITTEE

***HOCO BY DESIGN* FISCAL IMPACT ANALYSIS REPORT**



Fiscal Year 2024

FY 2024 Spending Affordability Advisory Committee (SAAC)

Tonya Aikens, Howard County Library System *
Todd Arterburn
Lakey Boyd, Columbia Association
Richard Clinch Ph.D.
Howie Feaga, Howard County Farm Bureau
Ellen Flynn Giles
Khaleda Hasan, Ph.D.
John C. Hendrickson
Christopher Heston, Howard Community College *
Steve Hunt
Darius Irani, Ph.D.
Jimmie Jennings, Howard County Real Estate Association
Barbara Lawson
Leonardo McClarty, Howard County Chamber of Commerce
Jolene Mosley, Howard County Board of Education *
Steve Poynot (**Committee Vice Chair**)
Jahantab Siddiqui, Howard County Public School System *
Valerie Traore, Association of Community Services Howard County *
Joshua Tzucker
**Non-voting member*

Committee Chair

Holly Sun, Ph. D, Budget Administrator

Advisors (Government Officials)

Angela Cabellon, Deputy Chief Administrative Officer
Craig Glendenning, Howard County Auditor
Rafiu Ighile, Director, Department of Finance
Patrick Pope, Internal Auditor
Lonnie R. Robbins, Chief Administrative Officer
Larry Twele, Howard County Economic Development Authority

Executive Summary

The FY 2024 Spending Affordability Advisory Committee (SAAC) was tasked this year with a special charge to review and provide feedback on the fiscal impact analysis of projected new development as presented in the draft of Howard County's next General Plan update, *HoCo By Design*. The Committee met four (4) times in December 2022 and January 2023, and listened to, reviewed, and discussed presentations from the County's Department of Planning and Zoning and Budget on the draft version of *HoCo By Design* and their preliminary fiscal impact analysis of the new development forecast in this plan through 2040.

After thorough review, the Committee found the original fiscal impact analysis solid in both methodology and results but did suggest that a number of alternative scenario tests be run on a few of the plan's assumptions. After further examination and discussion of the alternative test results, the following adjustments were made to a number of assumptions based on the Committee's input and have been included in the final analysis and presented in Attachment 4:

- The reporting of the fiscal impact analysis was adjusted from using fixed 2022 dollars to present nominal values assuming a 2.5% annual inflation rate, in an attempt to provide a better understanding of projected revenues, expenditures, and the resulting net fiscal impact, since the annual budget presentations reflect nominal values.
- Four initial assumptions were modified based on the Committee's recommendations to better reflect updated market trends or continuing economic uncertainty in taking a more conservative or prudent approach, including: 1) adjusting the mortgage interest rate assumption for owner-occupied units; 2) adjusting the capitalization rate assumption for rental units; 3) adjusting the home affordability ratio assumption to a mid-range of the national average rather than expecting a continuation of the County's more positive past experience; and 4) factoring in the potential reduction of non-residential property development and/or assessed valuation due to growing remote work trends.

The Committee also addressed multiple questions to staff in order to develop a more complete understanding of the basis for the analysis and to ensure that it adequately accounts for critical elements and variables. Some of this examination and review for different questions and clarifications can be found in Attachments 4 & 5.

For example, the Committee was well aware of the need to carefully examine the impact of the projected growth in education funding, especially in light of the implementation of the State's multi-billion-dollar educational improvement program, the Blueprint for the Maryland's Future (Blueprint). This fiscal analysis assumes that County base funding to HCPSS (before adding revenues from new development) will grow by \$189 million in the next 10 years in nominal value. In comparison, multi-year projections from HCPSS for the HCPSS FY 2023 budget assume an increase of \$137 million over the same time period for Blueprint, net of State aid increases. Therefore, the *HoCo By Design* fiscal analysis has technically accounted for the HCPSS-projected Blueprint implementation costs. It should be noted that these Blueprint cost estimates from HCPSS for local funding were preliminary and not validated or acknowledged by the State. Howard County, among nine counties that have consistently funded local schools above the required annual Maintenance of Effort (MOE) levels, is not expected to incur any additional local costs beyond historical trends to meet Blueprint mandates "since their projected appropriations under current practices exceed the amount required under the Blueprint legislation," according to the State Department of Legislative Services (Attachment 5). The State's legislative

analysis also indicates that Blueprint implementation, when coupled with the significant increases of nearly \$4 billion in State aid to school systems over the next 10 years, is intended to help local school systems enhance and reprioritize programs to enrich student experiences and accelerate improved student outcomes.

Based on its review and examination, the Committee believes the methodology and assumptions of the revised fiscal impact analysis (Attachment 2) are reasonable, and the results showing significant positive net fiscal gains from the projected new development (Attachment 1) are valid.

Using these analytics, *HoCo By Design* is projected to generate an average net revenue gain of \$59 million per year in the next 18 years (with \$228 million in new revenues and \$169 million in new costs from development on average). Total projected net gains reach \$1.06 billion over the 18-year period. This projection is based on 25,000 new residential units (with a continued gradual shift from single-family to multi-family units) coupled with 31,500 new jobs anticipated from new non-residential property development between 2022-2040 per *HoCo By Design*. If this growth in residential units and jobs materializes, this General Plan update, with its focus on redevelopment, will result in a positive fiscal outcome for the County.

In assessing the fiscal impact analysis' scope and limits, it is worth noting that the study is focusing on a relatively small piece of the overall budget base (with projected new development representing only an 0.8-0.9% increase in overall housing units in the County annually). Also, despite the Committee's confidence in the methodology applied in assessing the impact of projected development in the County, as with any multi-year fiscal impact analysis, it is based on assumptions that could be impacted by unknown and unpredictable factors in the future (e.g., tax rate change, public policy changes, new requirements for services, economic conditions, etc.) which are beyond the scope of the study. Those uncertainties, however, will not likely change the general conclusion that a significant positive net impact will be realized from the projected new development given the context and magnitude of the results. The analysis demonstrates the potential positive impact of fully implementing the comprehensive planning included in *HoCo By Design*, which is contingent upon the realization of related zoning and regulatory changes as well as adequate market conditions.

Background – *HoCo By Design* [Details - Attachment 3]

HoCo by Design, the County's General Plan update, provides a long-term vision for how Howard County will develop and grow as it adjusts to evolving economic, environmental, and social conditions over the next 18 years (through 2040).

The County released the draft *HoCo by Design* in December 2022 and is currently accepting public input in advance of forwarding a final draft to the Planning Board before presentation to the County Council for review, public testimony, and adoption. Attachment 3 provides an overview of *HoCo by Design*'s content, including draft plan highlights, website links to *HoCo by Design* documents (www.hocobydesign.com), and the impact of a broad public engagement process featuring over 100 community meetings and more than 12,000 comments received.

HoCo by Design is intended to make future development more equitable, more predictable, more sustainable, and more achievable. It will inform future development of the County's capital improvement program and will guide multiple other plans and regulations, such as Functional Plans (e.g.

Walk Howard and Bike Howard), Master Plans (e.g. Downtown Columbia Master Plan), zoning regulations and maps, and subdivision and land development regulations.

Fiscal Analysis Results/Impact [Details – Attachment 1]

Attachment 1 summarizes the fiscal impact results of the draft *HoCo By Design* plan released in December 2022 over the 18-year analysis period, assuming a 2.5% average annual inflation. Based on the current cost and revenue structure and service levels in the County, new development from *HoCo by Design* would generate more revenue than costs for services and infrastructure. Average annual revenues totaling \$228 million and costs of \$169 million result in an average annual net revenue amount of \$59 million over the 18 years from 2022 to 2040. Accumulative net revenue gains in this period total \$1.016 billion.

The positive fiscal impact or net gains projected are partially attributable to the County's revenue structure. The Maryland tax structure allows counties to assess both property tax and local income tax by *place of residence*. The two taxes combined – both tied directly to new development – constitute more than 90% of County operating revenues generated. Moreover, Howard County collects multiple one-time revenues in a significant amount from new construction, including Transfer Tax, Recordation Tax, School Facilities Surcharge, and Road Excise Tax to help pay for new capital facilities and operating costs. Lastly, new residential units tend to have higher market value than those built decades ago (due to higher cost in building materials and construction, and larger size, etc.) and tend to generate more revenue.

**HoCo By Design Fiscal Impact Analysis WITH 2.5% ANNUAL INFLATION - Final Draft Plan
18 Year Average Annual Results and Annual Results in Year 1 & Year 18 (X 1,000)**

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Source: Howard County Department of Planning and Zoning, Research Division

Methodology and Assumptions [Details – Attachment 2]

Attachment 2, a 48-page document, provides details on the methodology selected and the cost and revenue assumptions applied in the *HoCo By Design* fiscal impact analysis. Both operating and capital costs and revenues are included in the analysis. For the operating budget, the analysis primarily focuses on General Fund (\$1.29 billion in FY23) and Fire and Rescue Reserve Fund (\$123 million in FY23) revenues, using the FY 2023 approved budget as the base. For capital- budget-related revenues and expenditures, the analysis includes various infrastructure costs and designated capital project revenues. An annual inflation factor of 2.5% is applied to present the nominal value of the fiscal impact in future years.

The general methodology used for this analysis is a combination of a per capita or per employee approach combined with a marginal approach. For example, to project costs for the General Fund portion (County contribution) of the Department of Social Services, the budgeted costs for this department are divided by the current population to determine the current per capita level of spending for the associated services. This factor is then applied to the projected population over time to determine the associated service costs for each year into the future. In other cases, per capita employee figures are also considered to determine the appropriate factor and applied to the projected costs if non-residential uses are also served.

In many cases, a marginal approach, which estimates costs and revenues more accurately for services or revenues directly related to new development, are used. For example, property tax revenues are based on the assessed values for each of the different residential and non-residential building types multiplied by the current property tax rate. Income tax revenues also rely on a marginal approach as well as do many capital expenditures. For example, school capital costs are based on the average one-time cost per student seat associated with a new school based on current school construction costs and school capacity. Student seats per housing unit were based on student yields for new construction by housing unit type in each of the five Planning Areas. This cost is then debt financed over 20 years. The assumptions used for calculating revenues, as well as operating and capital costs, are listed in detail in this methodology and assumptions document.

Like any set of projections, a fiscal analysis is based on the various assumptions used. These assumptions are based on County operating and CIP budget as well as industrial standard ratios. They were discussed thoroughly with the Committee and, based on feedback, were modified to factor in their recommendations for a number of adjustments.

Conclusion

The Committee performed due diligence and contributed carefully deliberated and thought-out feedback to County staff. We believe the final fiscal impact analysis is sound in methodology and presents reasonable conclusions. The Committee encourages the County to keep the following in mind as it moves forward with growth activities:

- New development generates significant positive net fiscal impact based on the existing revenue and service level structures.
- The largest revenue sources remain property and income taxes (about 90% of General Fund revenues), which provide on-going resources and grow the base accumulatively over time. Collection of local income tax is unique in the United States and is a significant reason that new residential development is fiscally positive.

- New development also generates sizable one-time revenues, such as the school surcharge, the road excise tax, and transfer and recordation taxes, most of which are designated for supporting infrastructure projects.
- School costs (capital and operating) make-up the most significant portion of the budget expenditures.
- Challenges ahead: Increasing need to maintain and rebuild existing infrastructure.
- A changing pace and type of growth will require budget and/or level of service adjustments.

The Committee would like to thank the County Executive for the opportunity to review and offer input on the potential long-term fiscal impact of the County's draft General Plan update. The Committee also wants to thank all the members for their time, effort, and thoughtful contributions to refine the analysis; and thank the Department of Planning and Zoning and the Budget Office for sharing the details of this complex analysis, responding to questions, and incorporating the Committee's feedback into the County's final fiscal impact analysis.

Attachment 1 – *HoCo By Design* Fiscal Impact Analysis Results

Attachment 2 – *HoCo By Design* Fiscal Impact Analysis Methodology and Assumptions

Attachment 3 – *HoCo By Design* General Plan Update Overview

Attachment 4 – *HoCo By Design* General Plan Update – Fiscal Impact Analysis (including scenario tests, clarifications, and FAQ)

Attachment 5 – Local Fiscal Impact of Implementing the Blueprint for Maryland's Future



HOWARD COUNTY DEPARTMENT OF PLANNING AND ZONING

3430 Court House Drive

Ellicott City, Maryland 21043

410-313-2350

Voice/Relay

Amy Gowan, Director

FAX 410-313-3467

Subject: Planning Board Recommendations on the HoCo By Design General Plan and Route 1 Corridor Plan

To: Christiana Mercer Rigby, Council Chair
 Deb Jung, Council Vice Chair
 Opel Jones, Council Member
 Liz Walsh, Council Member
 David Yungmann, Council Member

From: Ed Coleman, Chair, Howard County Planning Board

^{DS}

Date: March 13, 2023

Background

HoCo By Design is the County's proposed general plan, a long-range policy guide that informs decisions on land use, transportation, economic development, community character, natural resources, housing choices and infrastructure over the next twenty years. HoCo By Design aspires to improve upon its predecessor, PlanHoward 2030, with a four-pronged, aspirational approach towards greater equity, predictability, sustainability and achievability.

The Route 1 Corridor master planning initiative was launched in 2018 and subsequently woven into HoCo By Design. The proposed Route 1 Corridor Plan should be read as a supplement to the broader policies and implementing actions of HoCo By Design.

Process

Title 16, Subtitle 9, Section 16.900(j)(1)(iii) of the Howard County Code requires the Planning Board to prepare a recommendation and report to the County Council on proposed adoption of the County's general plan. The clause states that:

A bill proposing the adoption and amendment of the Comprehensive General Plan, regulations regarding the Planning and Zoning of the County, or the zoning map or zoning regulations shall not be added to the Council's legislative agenda until the County Council has received: a.) A final technical staff report and recommendation from the Department of Planning and Zoning; and b.) A recommendation and report from the Planning Board.

In accordance with the regulations, the Planning Board held a public hearing to consider HoCo By Design, the County's proposed general plan update, which include a Plan for the Route 1 Corridor on March 9, 2023. The Department of Planning and Zoning (DPZ) posted its Technical Staff Report on HoCo By Design on the Planning Board webpage on February 23, 2023, two weeks prior to the Planning Board hearing.

At that meeting, DPZ staff presented an overview of HoCo By Design and the process used to develop the plan; including extensive public engagement and data analysis over a multi-year timeframe. DPZ also provided an overview of the Route 1 Corridor Plan and the process that led to its development.

The Planning Board members then received public testimony from 16 individuals and/or organizations and held a work session following public testimony. A recording of the proceeding is posted at: <https://www.howardcountymd.gov/boards-commissions/planning-board>.

Planning Board Recommendations for HoCo By Design and the Route 1 Corridor Plan

During the work session, the Planning Board complimented the thoroughness of the plan and the process. They expressed appreciation for the edits the Department of Planning and Zoning made to the draft in direct response to public feedback, which was summarized in a table of plan changes.

Board members observed two primary issues raised by the community: housing and schools. They noted that community members expressed opposing viewpoints on residential growth, accessory dwelling units, missing middle housing, and expansion of the Planned Service Area (PSA). They recognized consensus around retaining industrial land along the Route 1 Corridor. For Gateway, they suggested that amenities, such as open space, should be identified through the upcoming master plan. They also noted that Gateway should be integrated with the rest of Columbia.

The Board discussed the housing allocation chart included in the Managing Growth chapter. They noted that multiple community members advocated for increasing the number of units in the chart to address housing demand, specifically in relation to the targets found in the Housing Opportunities Master Plan. One board member suggested that an increase to the total number of units should be accompanied by a percentage requirement for affordable units, and recommended 25%.

The Board also suggested that affordable housing should be dispersed to avoid concentration in any one area. They noted that significant expansion of the PSA would face substantial costs. The Board observed that the form and design of housing will be key to adding new housing types, such as missing middle and accessory dwelling units, in existing neighborhoods.

Board members discussed the challenges in addressing public schools through the general plan, since the document is meant to offer aspirational goals. They suggested that the Adequate Public Facilities Ordinance (APFO) task force, which meets following adoption of the general plan, would be best suited to evaluate concerns raised by community members. They also observed that prekindergarten programs, if located in facilities other than schools, could open up capacity in schools. The Board noted that new housing units built as a result of the general plan would not come online for many years, providing time for the school system to plan for facilities.

Based on the information presented, public testimony provided, and the Board's discussion, Mr. Coleman made a motion that the Board recommend the County Council approve HoCo By Design and that the Council increase the housing allocation units with an emphasis on providing affordable housing in line with the recommendations of the Housing Opportunities Master Plan. Mr. McAliley seconded the motion, which passed 4-0.



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TECHNICAL STAFF REPORT

HoCo By Design General Plan

Planning Board Meeting of March 9, 2023

Petitioner: Amy Gowan, Director, Howard County Department of Planning and Zoning (DPZ)

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Request: Request of the Planning Board to hold a public hearing for input and recommendation to the County Council on the draft General Plan Update, HoCo By Design, which includes a Plan for the Route 1 Corridor.

Description: HoCo By Design is the County's proposed general plan, a long-range policy guide that informs decisions on land use, transportation, economic development, community character, natural resources, housing choices and infrastructure over the next twenty years.

HoCo By Design aspires to improve upon its predecessor, PlanHoward 2030, with a four-pronged, aspirational approach towards greater equity, predictability, sustainability and achievability:

- **Equity** is about crafting a future ripe with opportunities for ALL people and ALL communities, including access to attainable housing, amenity-rich neighborhoods, high-quality education and economically-uplifting employment.
- **Predictability** informs future land use with greater detail and specificity of future outcomes, and guides budget priorities to align decisions for a shared understanding of direction and sequencing.
- **Sustainability** is about shaping growth and preservation in a manner that protects our valuable natural resources, reduces environmental impacts through vertical and compact development, and responsibly balances and grows our fiscal resources to deliver the government services that enhance our quality of life

- **Achievability** aims to provide realistic direction that is grounded in stakeholder input, considers resource limitations, and helps the County measure progress toward attaining the community's vision.

HoCo By Design contains eleven chapters and three technical appendices. The first chapter contains introductory material, including the plan's vision. Chapter two establishes a strategy to balance growth and conservation over the next two decades, in addition to presenting the future land use map, which organizes the County into eighteen character areas.

Chapters three to seven address five major planning themes or issue areas: the environment (Ecological Health), the transportation system (County in Motion), economic development (Economic Prosperity), housing options (Dynamic Neighborhoods), and community character (Quality By Design). Cross-cutting topics, such as agriculture, appear in multiple chapters.

Public school facilities, other types of supporting infrastructure, and growth management are the focus of chapters eight to ten. Finally, the last chapter describes implementation, outlining how the plan's actions will be carried out by various agencies as well as monitored through reporting.

Complimenting these chapters are three appendices containing technical information on the environment, character areas, and focus areas.

Route 1 Plan:

In 2018, the County launched a Route 1 Corridor master planning initiative to develop recommendations for revitalization strategies specific to Route 1. Since the HoCo By Design General Plan update was launched while the Route 1 Corridor master planning effort was underway, that initiative was woven into HoCo By Design, including reports and recommendations based on community input received and an evaluation of conditions along the Corridor. Data was incorporated into HoCo By Design's countywide analysis and modeling, allowing for a more comprehensive evaluation of the Corridor relative to Howard County as a whole.

The Route 1 Corridor Plan's vision emphasizes preserving Washington Boulevard as an industrial employment and transportation corridor, while targeting very specific areas for mixed-use redevelopment. Unique to Route 1, these mixed-use activity centers include areas intended to allow light industrial uses alongside non-industrial uses. Overall, the vision is trying to achieve a greater balance between non-residential and residential growth in the Route 1 Corridor by targeting construction of new residential units in mixed-use activity centers and encouraging non-residential opportunities everywhere else in the Corridor. This plan should be read as a supplement to the broader policies and implementing actions of HoCo By Design.

Public Outreach:

The scope of community engagement that has been conducted for HoCo By Design is unprecedented for Howard County. Planning for the HoCo By Design public engagement effort began in May 2020, following the preparation of General Plan Guidelines. These Guidelines served as the "plan for the plan" and called for a holistic and inclusive planning process.

HoCo By Design launched just as COVID-19 was shutting down the country. While the public engagement plan already included a variety of online opportunities, these became more important and more frequently used in 2020. As the pandemic

progressed, the project team adapted to working in a virtual environment and maximized the opportunities and benefits that this cultural shift offered.

From 2020 to 2022, the team facilitated nearly 100 community meetings, collected approximately 1,700 survey forms, and compiled roughly 12,000 public comments. Virtual meetings were well-attended, with participation exceeding attendance levels at pre-pandemic, in-person planning meetings. Project awareness was bolstered by a robust project website and social media presence.

To supplement the digital outreach, fliers inviting public participation in the planning process accompanied approximately 80,000 water bills, yard signs were posted in County parks, and postcards were placed in local library pick up bags and Roving Radish meal kits. Materials were translated into multiple different languages to reach more people in the community. Additionally, the HoCo by Design website was equipped with a Google Translate feature.

In 2021, the project team held a special series of design workshops for New Town Columbia. These sessions were held to study community character and possible approaches to redevelopment, should it occur. Each event built upon the previous effort to: identify design principles important for different areas, present draft illustrative design concepts for comments based on prior community feedback, and present final illustrative design concepts. The final illustrations are presented in HoCo By Design's Focus Areas appendix.

While initial engagement activities were well-attended, the project team saw an opportunity to increase diversity and inclusion as the planning effort continued. A new engagement platform, that followed a focus group format, was launched to target conversations with populations traditionally underrepresented in planning efforts. The project team reached over 100 individuals representing diverse backgrounds, ages, and ethnicities. The small group format—with flexible scheduling, organized through trusted community-based organizations—resulted in valuable input that complemented the initial engagement that had already occurred. Following the release of the public draft, the project team held an Equity Open House to spotlight equity-related actions in the plan.

Multiple HoCo By Design chapters summarize feedback collected through both general public engagement and targeted focus groups. Notable quotes from participants are also showcased. The project team used input collected throughout the process to draft, then refine, the plan's policies and actions.

Feedback collected was also posted on the project website's public engagement page, where a Comment Log compiled all written survey comments received, and an Engagement Summary described results from various engagement initiatives. These materials are available online via the following link:
<https://www.hocobydesign.com/public-engagement>.

The team also engaged the Planning Board in three workshops to discuss the public draft. These workshops were held in December 2022, January 2023, and February 2023. Video clips from these presentations are being posted on the HoCo By Design web page and full video recordings can be found on the Planning Board [web page](#) under Past Meetings. The project team incorporated feedback received from the Planning Board into the current version of the draft plan.

Advisory Committees:

Planning Advisory Committee: To initiate the planning process, a 33-member Planning Advisory Committee (PAC) was appointed by the County Executive and Council, which represented community leaders, service providers, industry groups, and the general public. They served as a sounding board to the project team about the community's needs and desires in the development of the General Plan. PAC members assisted in developing and identifying planning themes, reviewing data and recommendations, and serving as ambassadors for the process. The PAC is also assisted in developing the future land use map (FLUM) and contributing to recommendations in HoCo By Design. Specific topics to which members contributed include: the Preserve-Strengthen-Enhance-Transform (PSET) framework, character area typologies, transportation and water-sewer infrastructure, a growth allocation framework, and growth management strategies.

Technical Advisory Group: The Technical Advisory Group (TAG) consisted of Howard County Department staff and partner organizations who are considered subject matter and institutional experts. The HoCo By Design project team consulted with TAG members regularly to verify and validate key findings, ideas, data and reports.

Strategic Advisory Groups: During the Spring of 2021, three Strategic Advisory Groups (SAGs) were formed to delve into specific opportunities and challenges identified through the planning process. Each SAG comprised a multi-disciplinary group of experts that acted as advisors to the project team, similar to policy think tanks. The SAGs addressed three different topic areas: schools (Planning for School Capacity and Growth), environment (Examining Climate Change and Natural Resources), and housing (Diversifying Housing Stock and Creating Opportunities for Missing Middle Housing).

Data Analysis/nd Best Practices: HoCo By Design was based not only on public feedback, but also on data analysis and best practice research. At the beginning of the planning process, the County hired a team of national and local consultants to provide expertise in multiple subject areas. These consultants developed a series of physical assessments covering the following topics: land use, community character, supporting infrastructure, market and economics, agriculture, environment, and transportation. Each assessment described existing conditions and concluded with a list of observations and recommendations to further explore during the process.

The HoCo By Design process included a scenario planning component that allowed stakeholders to evaluate four alternative futures for the County. Building upon the physical assessments, the project team used CommunityViz software to model potential future year growth and conservation patterns and measure potential impacts of each scenario. Based on the impacts analysis of the scenarios, as well as community and PAC feedback, a final preferred hybrid scenario was crafted--represented by the HoCo By Design Future Land Use Map (FLUM). The FLUM was modeled in CommunityViz as a form of "ground truthing" to ensure that the County has land available to support the hybrid scenario and to identify infrastructure demands for informed decision making. A fiscal impact analysis was also conducted for each scenario to determine the long-term impacts on the County's budget for each of the growth scenarios and the FLUM. More information

on these specific analyses can be found in the HoCo By Design Scenario Planning Guide, available via the following link:

<https://www.hocobydesign.com/scenario-planning>

In addition to scenario development, the HoCo By Design CommunityViz model assessed specific impacts and issues that arose during the General Plan process, including an evaluation of opportunities and constraints related to expanding the Planned Service Area, and potential impacts and opportunities to preserve environmental features, such as the Green Infrastructure Network.

Resource Documents:

Various resource documents were used to inform policies and actions in HoCo By Design. These include the Engagement Summary, Fiscal Impact Analysis, the Housing Opportunities Master Plan's Market Overview and Background Research appendix, and physical assessments prepared for HoCo By Design. These materials are posted on the project website via the following links:

<https://www.hocobydesign.com/draft-release>


<https://www.hocobydesign.com/physical-assessments>

Planning Board Review:

§16.900(j)(1)(III) states that a bill proposing adoption of the general plan shall not be added to the Council's legislative agenda until the County Council has received a recommendation and report from the Planning Board.

DPZ Recommendation:

That the Planning Board recommend **approval** of HoCo By Design, including the Route 1 Plan.



Amy Gowan, Director
Department of Planning and Zoning

2/23/23

Date

Attachments

- HoCo By Design – Planning Board Draft, February 2023 – available via the following link:
<https://www.hocobydesign.com/draft-release>