

# **Report to the Governor and the Maryland Commission on Climate Change**

## **2021 Maryland Department of Planning Annual Report**

### **Maryland Department of Planning Mission Statement**

The Maryland Department of Planning (Planning) provides guidance, analysis, outreach and support to ensure that all of the state's natural resources, built environment and public assets are preserved and protected to achieve its goals for economic, community and environmental vitality.

**MSAR #10682**

## Land use Programs

### Program Description

Maryland's Greenhouse Gas Reduction Act Plan includes two programs designed to minimize greenhouse gas (GHG) emissions through the management of future land development, including reducing emissions through smarter growth and land use/location efficiency, and priority funding area related benefits. The Maryland Department of Planning (Planning) is the lead agency for these efforts, which involve the private sector, and various agencies and commissions at all levels of government within the state.

Planning provides data analysis and forecasting as part of its technical assistance to local and state governments to promote smart growth and land use efficiency. The assistance utilizes a variety of data sets and analytical tools, such as Planning's parcel database, U.S. Census information, land use/land cover data, and modeling.

Planning manages or administers the following existing programs in support of this effort:

#### **Smart Growth Subcabinet**

- Makes periodic recommendations to the Governor regarding changes in state law, regulations, and procedures needed to create, enhance, support, and revitalize sustainable communities across Maryland
- Facilitates interagency coordination to ensure successful statewide community reinvestment and compact development initiatives through implementation of the recommendations from the Maryland Sustainable Growth Commission's Reinvest Maryland 2.0 report and the strategies associated with the state development plan, *A Better Maryland*
- An interactive Reinvest Maryland 2.0 website, maintained by Planning, illustrates how jurisdictions can promote compact development using smart growth tools offered by state agencies and demonstrates how others have used these tools to revitalize their communities

#### **Maryland Smart Growth Coordinating Committee**

- Identifies regional growth and development issues for the state agencies and advises on the local impacts of state policies and laws
- Recommends ways to collaborate on planning between state agencies and local governments, and coordinate growth and development among jurisdictions
- Reviews statewide efforts to implement the state growth plan, and the state plans for transportation and housing
- Facilitates the review of state programs and development of tools and recommendations through the Reinvest Maryland 2.0 effort to assist Maryland's counties, towns, and communities to accelerate infill, redevelopment, and revitalization

### **Sustainable Communities Act of 2010**

- Established the Sustainable Communities designation to strengthen reinvestment and revitalization
- Simplified the framework for designated revitalization target areas in the Community Legacy and Neighborhood BusinessWorks programs
- Requires the Maryland Department of Transportation to consider Sustainable Communities as it annually considers the Consolidated Transportation Program

### **2009 Legislative Suite (HB294/SB273, HB297/SB280 and HB295/SB276)**

- Incorporation of the 12 planning visions in local comprehensive plans
- Development of local land use goals
- Consistency of local land use ordinances with comprehensive plans
- Submittal of local annual reports

### **Priority Funding Areas**

- Law directs the use of state funding for roads, water and sewer plants, economic development, and other growth-related needs toward Priority Funding Areas, recognizing that these investments are the most important tool the state has available to influence smarter, more sustainable growth, and development

### **Program Objectives**

Planning continues to assist counties and municipalities throughout the state to plan for growth and accommodate new economic development. By better managing growth, local communities can maximize the efficiency of their development patterns and contribute to a reduction in Maryland's GHG emissions. Smart growth promotes local decision making regarding compact, mixed-use development that maximizes mobility and encourages a range of housing choices. It also encourages new development and emphasizes the benefits of redevelopment in areas with existing or planned infrastructure. This helps preserve vegetated/forested lands, which sequester carbon, and protects agricultural land, while helping to increase the economic competitiveness, fiscal performance, and appeal of local communities. It should be noted that many local governments in Maryland are increasingly implementing these kinds of land use policies and programs.

## **Implementation Milestones**

The land use programs do not include specific implementation milestones. The estimate of potential emission reductions in Maryland as a result of the programs is based upon Maryland achieving an aspirational goal of 75% compact development between 2011 and 2020. This annual report allows for a periodic check-in to determine if Maryland is on-track with achieving this goal. The compact development statistic is derived through the following calculation:  $A + (B \times C \times D)$ , where A, B, C and D are defined as:

A - Share of year's multi-family housing in Maryland

B - Share of year's single-family housing

C - Percent of year's single-family housing on parcels within the Priority Funding Area (PFA)

D - Percent of year's single-family housing on parcels within the PFA that are 0.25 acres or less.

## **Estimated Emission Reductions for CY20**

Data through 2020 indicates that Maryland achieved 75% compact development for the 2011-2020 planning period. For comparison, for the decade 2001-2010, Maryland achieved an average of 62.5% compact development.

**Table 1. Compact Development in Maryland 2016-2020**

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Multi-Family Share</b>	40.4%	32.0%	40.3%	38.1%	35.5%
<b>Single-Family Share</b>	59.6%	68.0%	59.7%	61.9%	64.5%
<b>Percent Res. Dev. Inside of PFA</b>	87.0%	84.1%	84.1%	81.0%	78.0%
<b>Percent Single-Family Res. Dev. Inside of PFA</b>	78.3%	76.7%	73.4%	69.3%	65.9%
<b>Percent Res. Dev. on &lt;=.25 acres in PFA</b>	92.7%	90.2%	93.9%	92.0%	90.6%
<b>Percent Single-Family Res. Dev. on &lt;=.25 acres in PFA</b>	86.4%	84.1%	88.4%	84.9%	82.8%
<b>Compact Development</b>	80.7%	75.9%	79.0%	74.5%	70.7%

*Notes: Res. Dev. = Residential Development. Multi-family housing figures are derived from Census Bureau building permit estimates.*

The potential emission reductions from the land use programs enhancements in 2020 are estimated to be 0.64 (million metric tons of carbon dioxide equivalent (MMtCO<sub>2</sub>e). The portion of the GHGs prevented through CY20 is estimated to be 0.64 MMtCO<sub>2</sub>e. The 2011-2020 planning period has ended with achievement of the 75% compact development goal, which means Maryland has achieved its GHG prevention goal for the land use programs

Note: The method to estimate GHG reductions from compact development is based on best practice research entitled, “CO<sub>2</sub> Reductions Attributable to Smart Growth in California,” Reid Ewing and Arthur C. Nelson, January 2010. Also, Planning is working to improve the data quality of the sources used to inform the compact development statistic, specifically by ensuring that more local governments update their PFAs to reflect all locally designated growth areas that meet the PFA criteria, and by working to obtain multi-family development data that reflects actual versus proposed construction.

## **Enhancement Opportunities**

Given that Maryland achieved its 75% compact development goal for the 2011-2020 planning period, the appropriate programs and tools are in place for Maryland to continue achieving success in this area. Planning continues to explore methods to capture the full story of compact development beyond the measures that rely on parcel-based ownership data available in public records. There have been significant mixed-use projects that provide a range of both single-family and multi-family units that cannot be captured by this type of measurement. Many of these development projects are in PFAs and provide for multiple units that are owned by enterprises such as corporations and partnerships that receive the rental income from multi-family units, however, the names of the families renting these units are not recorded in the building permits or in the land records. Additionally, there have also been a large number of jurisdictions that have revised land use policies to accommodate accessory dwelling units of one type or another on existing parcels. These uses do not necessarily trigger legal changes to parcel ownership that can be captured by the existing methodology.

## **Funding**

Of the existing land use programs, Planning manages or administers four that require direct funding: in FY21, \$9 million was appropriated for the Maryland Historic Revitalization Tax Credit Program, \$5.1 million for the Maryland Heritage Areas Authority Grant Program, \$300,000 for Historic Preservation Non-Capital Grants, \$600,000 for Historic Preservation Capital Grants, and \$1 million for African American Heritage Preservation Grant Program. These programs that encourage and incentivize restoration and reuse of historic structures not only add to the unique character and history of existing communities, they often also spur revitalization of the neighborhoods in which they are located.

## Challenges

Despite implementation of the land use programs, market and other economic and environmental forces, including, but not limited to COVID-19, invariably have an impact on the location and intensity of new development. The challenges to tenants during the pandemic were alleviated in some measure by assistance programs. The corresponding challenges to landlords, especially smaller landlords, has also placed constraints on housing affordability and options. The effects of interest rates and inflation have yet to be fully comprehended throughout the duration of the COVID-19 pandemic. All of these challenges have in turn impacted emissions.

