



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Prince George's County Planning Department
Office of the Planning Director

(301) 952-3588
www.mncppc.org

November 1, 2023

MEMORANDUM

TO: The Prince George's County Planning Board

FROM: Rana Hightower, Legislative Affairs Coordinator

SUBJECT: **CR-83-2023**

Purpose: A resolution concerning a residential building permit allocation program for the purpose of approving, as an Act of the County Council of Prince George's County, Maryland, sitting as the District Council for that part of the Maryland-Washington Regional District in Prince George's County, an annual residential permit allocation process.

Summary of Resolution: CR-83-2023 provides that a residential permit allocation process be approved for calendar years 2024 through 2029. The allocation process will be reviewed annually. The District Council will limit the allocation of residential building permits to a set number of dwelling units. The annual review shall consist of a briefing of the District Council prior to September 30th by the Maryland-National Capital Park and Planning Commission, the Department of Permitting, Inspections and Enforcement and the Economic Development Corporation regarding existing and projected development patterns, consistency with Plan 2035 goals and policies, and adequacy of public facilities.

Policy Analysis: Staff understands the goal of the resolution is to slow the rate of residential growth in areas of the county that Plan 2035 does not target for development and that lack adequate public infrastructure. That goal is consistent with Plan 2035. However, staff recommends that the resolution's purpose be integrated into a more balanced set of measures designed to advance Plan 2035. The resolution, standing alone and in its current form, may have unintended consequences that limit its effectiveness in achieving its stated purpose.

Although Plan 2035 has many goals, some of its most important goals relate to where and how quickly the County adds new dwelling units. A majority of new dwelling units (75%) are intended to be placed in the eight regional transit centers and 26 local centers; no more than 20% in the "Established Communities" outside centers; and no more than 1% in the "Rural and Agricultural Areas." (See Plan 2035 Table 17). Simply stated, the goal is to accelerate development in the centers beyond what has prevailed previously, and to slow sprawl development in the Established Communities and the rural area below what has prevailed previously.

The County has done a good job since the adoption of Plan 2035 in accelerating growth in the centers, although there is more work to be done. Center dwelling unit counts are moving in the right direction, and several Regional Transit Centers are seeing a very visible transformation toward high-quality, dense, mixed-use development. This is a tribute to the diligent efforts of the Council, Executive, state and county agencies, and the private sector, which have focused financial and strategic resources to bring transformative public and private development to centers including Hyattsville Crossing, College Park, New Carrollton, Largo, Suitland and Branch Avenue.

The County has done less well at slowing the pace of suburban sprawl. Since 2014, more than half of new dwelling units have occurred in places that are both outside of any center and outside the Beltway. The County has actually increased permitted density outside the Beltway, typically through text amendments or other forms of rezoning. CR-83 seeks to slow the pace of sprawl development by limiting the number of dwelling unit permits that can be issued each year.

Although CR-83 is intended to slow growth outside Plan 2035 centers, in its current form, the resolution risks slowing growth inside the centers, as well as outside the centers. Two issues are of paramount concern. First, CR-83 sets a permit cap inside centers. Although the in-center cap is much higher than the caps proposed outside the Beltway, any cap affecting centers sends a concerning message to the investment community. Second, CR-83 seeks to slow growth outside the Beltway by rationing building permits, which is too late in the development approval process. By the time building permit applications are filed, investors, developers and county businesses have invested years of time and significant sums of money to obtain subdivisions, site plans, and a myriad of other approvals. Stopping the progress of a project at that late stage may have a chilling effect on the investment climate in the County and may reduce growth generally, both in centers and outside them.

Staff recommends a comprehensive Plan 2035 implementation package:

CR-83 would be most effective if it is part of a comprehensive package of Plan 2035 implementation measures that sends a clear message that growth will be welcomed and incentivized in the Plan 2035 centers, and that sprawl development is less favored. Staff recommends a comprehensive implementation package that focuses on zoning, incentives for in-center development, and tools to more carefully manage growth outside the centers, as follows:

A. Zoning

The most effective and fairest tool for regulating growth is to apply the correct zones to county properties. That is why the first recommendation of Plan 2035 was the creation of new zones and a new zoning ordinance, which has now been accomplished.

However, the Countywide Map Amendment was a non-substantive mapping exercise that could neither upzone properties inside centers nor downzone properties outside centers. As the Council considers new master and sector plans, it will have the opportunity to upzone and downzone properties to better implement Plan 2035. Admittedly this process takes time, but it is the single most effective way to obtain desired density in the centers and discourage sprawl development outside the centers.

B. Incentives for in-center development

1. Adjust the County CIP to prioritize specific capital projects that each center needs to support its full build-out. The Planning Board previously identified critical projects for many of the centers and will continue to update its recommendations.
2. Eliminate or streamline detailed site plan (DSP) approval for projects inside centers, or for in-center projects below a certain threshold size, since the new zoning ordinance already contains strong design standards for center development.
3. Increase by-right density in centers as recommended by the Planning Board in CB-73.
4. Eliminate or reduce transportation level of service (LOS) subdivision requirements inside Metrorail-served centers because robust alternatives to driving are available in these centers.
5. The County currently imposes fees based on whether the development is inside or outside the Beltway. Consideration should be given to further reducing impact fees for development that is both inside the Beltway and inside a Plan 2035 center.

C. Tools to better manage growth outside the centers

1. Consider raising adequate public facility requirements (transportation, public safety, and/or schools) for proposed development that is both outside any center and outside the Beltway. The current rules have not been fully effective at providing adequacy, especially with regard to transportation, as the appendices to CR-83 demonstrate.
2. Consider raising impact fees for development that is both outside any center and outside the Beltway, to better address public facility inadequacies.
3. Develop a better understanding of how different types of real estate development, in different county geographies, affect tax revenues and public service costs ("net fiscal impact"). This information will allow the Council to make more informed decisions on property zoning and adequate public facility requirements.

Staff recommends amendments to CR-83:

Whether or not CR-83 becomes part of a larger package of Plan 2035 implementation measures, staff recommends that the resolution be amended as follows:

1. Given the overall aim of increasing residential development inside Plan 2035 Centers and the Capital Beltway, there should be no cap on any allocations within TSA 1. This will increase the potential for residential development where Plan 2035 seeks to direct it.
2. There should be an exemption for publicly subsidized affordable housing. While such housing can contribute to sprawl, the shortage of housing for our most vulnerable residents is severe and warrants an exception to the growth goals.
3. Consideration should be given to a *de minimus* exception for the development of one single-family dwelling built for the property owner on a single lot.
4. The term "residential building permit" used on page 6, line 28 of the resolution and elsewhere should be clarified to exclude permits that do not result in a new dwelling unit, such as renovation permits. DPIE should be consulted on the best terminology.

Staff does not support imposing the allocation process at the time of the issuance of building permits, as this is too late in the development approval process. Most jurisdictions with an annual growth policy impose the allocation at the time of subdivision application. In the alternative, allocation could be imposed at the time of DSP application, or record plat application.

Impacted Property:

Staff understands that the resolution is intended to affect all areas of the County outside the City of Laurel. The exclusion of Laurel should be clarified in the resolution.

Recommendation:

Staff recommends that the Planning Board recommend further study of CR-83-2023 and a comprehensive Plan 2035 implementation package.