



Larry Hogan, Governor
Boyd Rutherford, Lt. Governor

Wendi W. Peters, Secretary
Ewing McDowell, Deputy Secretary

December 1, 2016

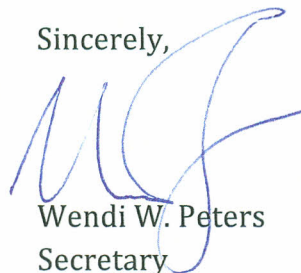
The Honorable Larry Hogan
State House
100 State Circle
Annapolis, Maryland 21401

Re: Report required by Environment Article §2-1305(c) (MSAR#10682)

Governor Hogan:

On behalf of the Maryland Department of Planning, I am pleased to submit the 2016 Report on Land Use Programs developed in accordance with Environment Article §2-1305, as defined in House Bill 514/Chapter 429, 2015 (MSAR# 10682). The law that governs the Maryland Commission on Climate Change requires numerous state agencies to submit annual reports on the progress surrounding the implementation of climate change programs to both the Governor and the Commission.

Sincerely,



Wendi W. Peters
Secretary

cc: Secretary Ben Grumbles (Chair, MCCC)
Sarah Albert (Department of Legislative Services)

MARYLAND DEPARTMENT OF



PLANNING

2016

Report on
Land Use Programs
to the
Maryland Commission
on Climate Change

Maryland Department of Planning Report on Land Use Programs to the Maryland Commission on Climate Change

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. These include 1) Reducing Emissions through Smarter Growth and, 2) 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/location 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 the Growth Simulation Model.

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

Smart Growth Subcabinet

- Makes recommendations to the Governor regarding changes in State law, regulations, and procedures needed to create, enhance, support, and revitalize Sustainable Communities across Maryland.

Maryland Sustainable Growth Commission

- Identifies regional growth and development issues for the Governor's Smart Growth Subcabinet
- 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
- Advises on the local impacts of state policies and laws

Sustainable Communities Act of 2010

- Established the "Sustainable Communities" designation in order 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 new 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

- Maryland 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 to influence smarter, more sustainable growth and development.

Program Objectives

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 housing choices. It also encourages new development and redevelopment in areas with existing or planned infrastructure. This helps preserve vegetated/forested lands (which sequesters carbon) and protects agriculture, while helping to increase the economic competitiveness and fiscal performance of local communities. It should be noted that many local governments in Maryland are increasingly implementing these kind of land use and transportation 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 CY 2015

Data through 2015 indicates that Maryland is indeed achieving 75% “compact development” for the 2011-2020 planning period (see Table 1). For comparison, for the decade 2001-2010, Maryland achieved an average of 62.5% “compact development.”

Table 1. Compact Development in Maryland 2011-2015

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Multi-Family (MF) Share	38.1%	41.0%	41.2%	36.2%	38.0%
Single-Family (SF) Share	61.9%	59.0%	58.8%	63.8%	62.0%
Percent Res. Dev. Inside of PFA (SF & MF)	83.8%	85.1%	85.7%	85.6%	85.8%
Percent Res. Dev. Inside of PFA (SF only)	73.8%	74.7%	75.6%	77.3%	77.1%
Percent Res. Dev. on <=.25 acres in PFA	88.6%	89.1%	89.8%	89.8%	92.6%
Percent SF Res. Dev. on <=.25 acres in PFA	79.0%	79.0%	81.0%	84.8%	85.9%
Compact Development	74.2%	75.8%	77.2%	78.1%	79.1%

Notes: Res. Dev. = Residential Development

Therefore, the potential emission reductions from the land use programs enhancements in 2020 are estimated to be 0.64 MMtCO₂e. The portion of the GHGs prevented through CY2015 is estimated to be 0.32 MMtCO₂e (one-half of the planning period has elapsed with achievement of the 75% “compact development” goal, which means Maryland has made significant progress in achieving one-half of the 0.64 MMtCO₂e 2020 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, “CO₂ Reductions Attributable to Smart Growth in California,” Reid Ewing and Arthur C. Nelson, January 2010.

Enhancement Opportunities

Given that Maryland is achieving 75% “compact development” to date for the 2011-2020 planning period, Planning does not believe further enhancements are needed at this time.

Funding

Of the existing land use programs Planning manages and/or administers only one requires direct funding. the Maryland Heritage Structure Rehabilitation Tax Credit for FY2017, about \$9 million was appropriated.

Challenges

Despite implementation of the land use programs, market, economic, and other forces invariably have an impact on the location and intensity of new development. This in turn impacts how much greenhouse gases are prevented.