

## **Presentation to Arlington Redevelopment Board's Oct. 7 Meeting on Housing**

There are ample, demonstrable data and case studies to show that when a community operates in conjunction with a broader region to address planning and zoning issues that are good for the entire region, the individual communities as well as the entire region have healthier, more diverse populations and are more fiscally strong as a result. I'm happy to provide information in greater detail but would like to share some representative examples of communities creatively and successfully addressing social and financial goals through land use planning, zoning, and regional cooperation.

### **1. To diminish racial and economic segregation and eliminate concentrated poverty, Montgomery County, Maryland's inclusionary zoning law is an example of a success story.**

Montgomery County has long been renowned as having the nation's most progressive mixed income housing policies. The Housing Opportunities Commission (the county's public Housing Authority and Housing Finance Agency) owns, rents, or administers an inventory of more than 44,000 housing units (most in mixed income neighborhoods), or about 12% of the total housing supply. One of Montgomery County's key tools is its Moderately Priced Dwelling Unit (MPDU) ordinance. Enacted in 1973, the MPDU law requires private developers to build mixed income housing everywhere. The law now covers any new subdivision town house complex or apartment complex with at least 20 housing units.

To help integrate the poorest households into middle class society the County law further specifies that one third of the MPDUs, or 5% of the total units built in a subdivision, must be available for rent or outright purchased by the Housing Opportunities Commission. The county's progressive policies have produced a remarkable social and economic transformation. In 1970 Montgomery County had the look of a classic suburb - wealthy and white. By 2010 Montgomery County had a rainbow look - 16.6% Black, 17% Hispanic, 13.9% Asian 3.2% mixed race and other and was still the 11th wealthiest County in America while becoming one of the nation's most racially and economically integrated communities. \*

By providing housing for all occupational levels the County helped promote a diversified local economy centered on the Technology Corridor. In a generation Montgomery County has become a global center of biomedical in genetic research.

### **2. To control suburban sprawl and reverse urban disinvestment, Oregon's tough Land Use Act, as implemented by Portland Metro. is another example of a reform model.**

With its Urban Growth Boundary, UGB, the Portland region has the most effective and unique integrated system of transportation and land use planning in the United States. its effectiveness is based on the Land Use Act of 1973 which required Oregon's 36 county governments to adopt sprawl limiting comprehensive land use plans that comply with 14 state goals. The county plans incorporated UGB's for Oregon's 242 municipalities that clearly divide urban from rural land. Its uniqueness rests in the fact that for the complex highly urbanized Portland region Portland Metro- the county's only directly elected regional government- is the Regional Planning Agency. Metro is governed by a president elected regionwide and a 6-member council elected directly from the six districts into which the region is divided. None can be elected officials of other governments. They in turn hire a professional chief operating officer.

One measure of the UGB's effectiveness is the region's balanced economic and social health. By preventing new development from occurring outward, the UGB focused much private investment inward to the central city in older suburbs the Portland region is one of the least ethnically and economically segregated societies in the United States. The city of Portland is a growing Aaa credit rated central city. None of its suburban municipalities is physically or socially distressed.

Beyond the government institutions, Oregon has developed a powerful citizens lobby. "1000 Friends of Oregon" serves as a watchdog over the entire process. As a result, Oregon has a broader and more knowledgeable citizen involvement in land use planning issues than has any other area of the United States. \*\*

3. To reduce fiscal imbalances that result from uneven growth and socio-economic imbalances, Minnesota's Fiscal Disparities Plan is another good example of a regional focused reform agenda.

The Mall of America, the biggest mall in the United States, sits in suburban Bloomington MN yet every one of 186 municipalities and more than 100 school districts and special authorities in the 7 County Minneapolis - Saint Paul region shares in the millions of dollars in tax revenues generated by the giant mall.

The Twin Cities Fiscal Disparities Plan, the nation's largest regional tax-based sharing program, is the reason. Enacted in 1971, the Plan pools 40% of the increase in all communities commercial and industrial property valuations. All cities and townships keep their pre-1971 tax bases plus 60% of the annual growth. The pool is then taxed at a uniform rate and redistributed among all local government entities. The redistribution formula estimates each community's annual population and how its commercial and industrial tax base per capita compares with the regional per capita average. Poorer than average communities received more back from the fund than they contribute. Richer than average communities contribute more than they receive.

By 2011 the annual fiscal disparities fund amounted to \$544 million over 39% of all commercial and industrial property tax collected. The tax base sharing program narrows fiscal disparities between rich and poor communities. Without the plan, the disparity in tax base per capita among cities with more than 10,000 residents would be 10 to 1. The Fiscal Disparities Plan narrows the gap to 3 to 1 between richest and poorest communities. \*\*\*

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Footnotes:

- From Box 3.1: *Montgomery County: Mixing Up the Neighborhood*, in CITIES WITHOUT SUBURBS, A Census 2010 Perspective (4<sup>th</sup> edition) by David Rusk, 2013, Woodrow Wilson Center Press, page 124

\*\* From Box 3.2: *Metro Builds Great Wall of Portland*, in CITIES WITHOUT SUBURBS, A Census 2010 Perspective (4<sup>th</sup> edition) by David Rusk, 2013, Woodrow Wilson Center Press. Page 128

\*\*\* From Box 3.3: *Twin Cities Region Shares Tax Base*, in CITIES WITHOUT SUBURBS, A Census 2010 Perspective (4<sup>th</sup> edition) by David Rusk, 2013, Woodrow Wilson Center Press page 130