

Letter to County Council Concerning Thrive 2050 from Montgomery County Taxpayers League and Cosigners

We, the undersigned community organizations, strongly oppose the Thrive Montgomery 2050 general plan and the Council's rush to enact it into law. We object to the undemocratic process and lack of genuine community engagement by which the plan was developed, and to the plan's undermining of homeowners' rights under present law. Convincing evidence from communities such as Minneapolis, MN, that have passed similar plans—and from our County's own executive agencies — shows that Thrive will not meet stated objectives and would have unintended negative impacts on our County.

We also object to the plan's failure to address the pandemic's impact on County finances, transit, work and commuting patterns, housing, density, the environment, and a host of new challenges the County must meet.

For these reasons, the undersigned ask Council to:

1. Restart the Thrive process to include civic groups and community associations as equal participants from start to finish.
2. Stop the rush to pass Thrive and accumulate the data to make evidence-based decisions about zoning for the next 30 years.
3. Develop a strategy of pursuing pilot projects such as at White Flint, Lake Forest, and Burtonsville that adhere to a master planning process and serve as "low hanging fruit test cases."

Although this letter treats Thrive Montgomery 2050 and the Attainable Housing Strategies Initiative (AHSI)¹ as separate initiatives, we reject the Council's insistence that Thrive "has nothing to do with zoning." Thrive Montgomery 2050 eliminates the 1964 and 1993 "wedges and corridors" general plan and all its associated regulations, opening the door to profound rezoning through zoning text amendments (ZTAs). Although the Council's PHED committee has recently tried to purge from the Thrive draft any evidence of intended implementation strategies, it is clear from Council President Hucker's and CM Riemer's March 4, 2021, letter to the Planning Board that the Council wants ZTAs ready to be presented immediately.² AHSI work has continued at a brisk pace, despite the County Executive's June 10 request for an immediate halt because of the public's confusion about Thrive and AHSI. The vast increase in scope of AHSI upzoning recommendations, as compared to CM Jawando's December 2020 ZTA 20-07, suggest a determined march toward more widespread densification. Therefore, we view Thrive and AHSI (with its planned rezoning initiatives) as complementary strategies, both ready to enact into law.

¹ *The industry definition of attainable housing is "for sale unsubsidized housing that can be bought by people with incomes at 80-120% of area median income." The Planning Board dropped income levels from their definition, substituting a more nebulous, unaccountable definition for attainable housing as "unsubsidized market housing that is appropriate and suitable for the households that live here."*

² *Letter requested that "the Planning Board consider zoning reforms that would allow greater opportunities for Missing Middle Housing in Montgomery County and transmit to [Council] a zoning text amendment with your recommendations."*

Thrive Montgomery 2050: We object to the lack of analysis behind Thrive’s poorly substantiated “vision” and “philosophy.” The document describes ideal outcomes with almost no roadmaps or cost/benefit analyses from County executive agencies on how to achieve them—nor benchmarks and metrics to evaluate progress toward goals. For example, the County Office of Management and Budget’s recent fiscal impact statement (issued as required by law) **estimates that Thrive will cost at least \$8.16 billion, with *ongoing* annual costs of \$333.8 million. However, even OMB admitted that a true analysis of Thrive was impossible owing to lack of details in the Plan.** It omits analysis of the costs of 32 centers of activity central to the plan; how the Plan will attract jobs and economic development crucial to supporting the plan; and the costs of additional schools, public services, and infrastructure that would be required to accommodate growth the County anticipates within the next 30 years. Instead, the plan anticipates massive savings from increasing density, but has not considered the well-documented high costs of infill development and relies on projections of increased tax revenue and economic investment not backed by solid analysis. Although the Planning Board and PHED chairs deny the significance of OMB’s findings, they have no numbers of their own and no “Thrive vs. No Thrive” analyses to counter them.

The Council relies on vague, opaque language to obscure the real intentions of Thrive, such as the plan’s likely impact on communities. For example, when CM Friedson asked for clarification of growth maps terms and more details on plans for specific communities at the September 20 PHED meeting, CM Riemer responded, “not everything is on here,” and “we don’t do planning from this map....You need to look at what is beneath it to understand our intent.” When pressed on complete communities and 15-minute walkability, CM Riemer and Planning Board Chair Casey Anderson explained that the plan doesn’t envision complete communities everywhere, and that few areas offer 15-minute walkability. Though central to the Thrive document, they said these concepts are “not to be taken literally.” Then what IS to be taken literally?

Finally, a main goal of Thrive was to increase home ownership to a more diverse population and to increase home affordability. But as the Silver Spring Marketing Study on Missing Middle Housing (MMH) (3/4/2021) clearly showed, allowing developers to build a wider range of houses by right will NOT achieve these goals because no MMH types were found to be feasible in downtown Silver Spring except for townhouses that would sell for \$715,000 to \$855,000. A study by home builder EYA showed that triplexes in Chevy Chase would cost \$875,000 at least. But instead of seeking better tools to encourage affordability, the Planning Board doubled down on its flawed MMH strategy.

Tax Impact: We are concerned that millions in Planning Board staff time have been spent developing these plans that lack any financial estimates. We fear that already burdened County taxpayers will end up shouldering these costs through higher property taxes. Although we await an official determination from a qualified SDAT official, the potential for higher real estate taxes is certainly realistic, especially as competition for properties drives up home prices and valuations. This is exactly what happened in less wealthy sections of Minneapolis (see below), preventing many lower-income families from becoming homeowners. This defeats the affordability and equity objectives of Thrive. In addition, the County already is finding its policies to promote density, affordable housing, and transit require offering significant property tax/fee waivers to developers, which reduce County revenues that likely will be paid for by higher property taxes for residents.

But even if property tax increases turn out to be modest, the funds to pay for Thrive must come from somewhere. A recent (9/28/2021) Council staff memorandum to the PHED Committee on OMB’s fiscal impact (p.3, last paragraph) says, “The total increased burden (to implement Thrive 2050) including the

increase in net operating costs, would be \$623 million annually, which is equal to raising the County's annual operating budget by 12%. The Plan needs to explain how it will pay for these added expenses.

Lack of public engagement: The Planning Department claims to have “reached” one million residents through digital ads; surveyed 1500 residents; made 32 presentations; and conducted meetings and community events. But these engagements were “after the fact” – i.e., after all the working meetings had been held and priorities established, after claims were made without review or oversight, and after decisions had been voted on and the final plan written. Most presentations consisted of the Planning Board describing their plans and taking questions. The most important stakeholders, the residents and their representative civic groups, were left out the process. To date, the Planning Board hasn't altered the Thrive drafts to reflect residents' concerns. Instead, they have denied the factual basis for these concerns via misleading campaigns such as the Planning Board's “Myths Versus Truths.”

On the other hand, the engagement of pro-upzoning lobbyists, such as the developer-friendly Coalition for Smarter Growth (CSG), has been steady and robust. At his April 16, 2021 “Talking Thrive 2050 with Hans Riemer,” CM. Riemer congratulated CSG for helping to “tie the bow” on 10 years of work on these concepts and for “not only “being at the table” but actually “chairs the conversation” that led to Thrive. For the tens of thousands of County residents with no seat or voice at CM Riemer's table, such undemocratic influence seems an embarrassment, not a cause for celebration.

Even more disturbing are recent Planning Board statements of their intentions to push even more extreme measures once Thrive is passed (although the negative impact of densification is now clear from the highly documented experience of Minneapolis and other jurisdictions such as NYC, Los Angeles, Seattle, and Newton, MA). For example, “Staff believes that its recommendations are **among the boldest being pursued in jurisdictions across the Country**...and that the additional bolder changes can and should be pursued through the master plan process, using tools like upzoning and rezoning to increase density and housing diversity” (7-8-21 AHSI meeting).” Apparently, setting new records for boldness justifies ignoring public input on these profound changes to our County zoning.

AHSI – Based on a Failed Strategy

As noted above, both Thrive and the AHSI implementation strategies are being developed simultaneously. Unlike DC and other jurisdictions, that plan zoning **literally block by block**, the Planning Board's proposals impose one-size-fits-all modifications throughout the County. Under these proposals, citizens' associations would lose their current right to negotiate with developers on large changes, and former suburban communities and residential wedges would be subject to urbanization, undermining one of our County's greatest “draws.” The impact of all this on property taxes, future home values, the character of communities, future economic development, and revenues has not even been addressed.

Even more concerning are the unfounded assumptions that eliminating single family zoning will reduce racial and economic disparities. But, as award-winning architect and former Minneapolis Planning Commission Vice President Alissa Luepke Pier told the MC Civic Federation on October 11, her community's adoption of the same kind of measures promoted by Thrive and AHSI have “**permanently damaged Minneapolis and wiped out the prospect of home ownership for thousands of her city's deserving residents, especially families needing standard homes rather than small efficiencies.**”

in Minneapolis, the Thrive Plan relies on the misconception that single family zoning, rather than a complex brew of toxic policies, is the fundamental cause of home ownership disparities. The Minneapolis experience has demonstrated that this assumption was not true. Minneapolis policymakers also assumed that simply building more units would reduce overall prices because of the “law of supply and demand.” But other factors came into play -- with disastrous results. Minneapolis planners had not anticipated how absentee speculator investors and builders would damage prospects for home ownership. Flush with cash, these speculators outbid new would-be home buyers and either converted single-family homes into two or three cheap rental units or simply rented out the homes as is.

THE RESULT: in North Minneapolis, one of the poorer sections, *home prices doubled, and property taxes increased by 15 to 20 percent a year.* The effect has been a disaster for affordable housing and home ownership goals. Renters pay for the mortgages, property taxes, insurance, and profits of the speculator-owners in the form of rent, and the hard-earned payments of these rent-burdened residents go to out-of-state investors rather than being spent in Minneapolis. The loss of wealth and taxes has left Minneapolis less able to provide basic services, let alone build the complete communities Minneapolis (like Montgomery County) had hoped to build.

Even the environmental promise of these measures did not materialize. In a sample Ms. Pier studied, of the 63 acres developed during the first year of this program, 44.9 were impervious surfaces. Probably because of variances (like ZTAs) sought by developers, only 57 percent met the city’s mandatory tree and bush requirements.

In summary, the many significant shortcomings and flaws of the current Thrive Montgomery 2050 plan—and the absence of tools to prevent unintended consequences—will prevent Thrive/AHSI from meeting its goals. We feel strongly that the Council must:

1. Restart the Thrive process to ensure that civic groups and community associations can participate as equals in ensuring a successful and democratically devised plan.
2. Gather empirical data from solid research and from pilot projects to make evidence-based decisions on zoning for the next 30 years.
3. Ensure transparency, honesty, and accountability throughout the entire process.

We are also deeply concerned by recent statements by some Councilmembers that once the PHED submits Thrive to the Council, there will be no further hearings. Given that the plan has been completely rewritten since it was originally submitted to the Council, this lack of transparency is unacceptable. Thrive Montgomery 2050 is a 30-year plan. There is no excuse for not taking the time to involve the community in finalizing it and making sure to get it right.

We look forward to your immediate response to our urgent request.

Signed