



Friends House: Amendment to the Priority Funding Area (PFA) Boundary

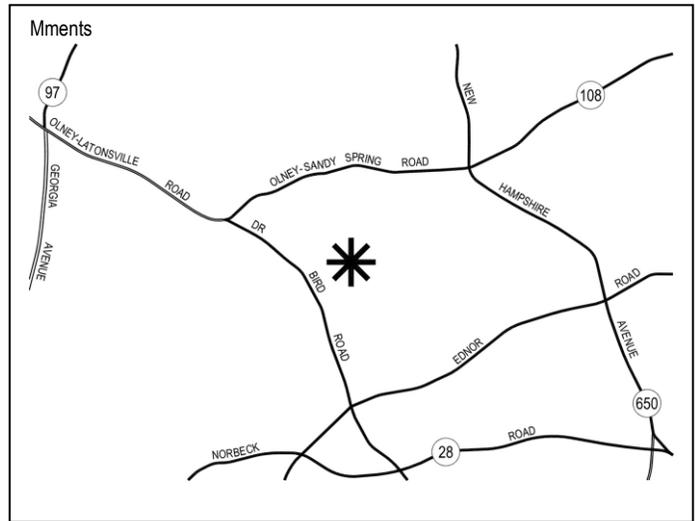
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Completed: 10/16/2014

Description

Friends House: Amendment to the Priority Funding Area (PFA) Boundary

Request to amend the Priority Funding Area Boundary to incorporate the Friends House, a non-profit corporation, that operates a special exception for a nursing home and housing for the elderly with independent living (private cottages and HUD apartments), assisted living and skilled nursing care, 330 total units, located at 17230 Quaker Lane near the intersection of Dr. Bird Road and Norwood Road, 62.5 acres, Sandy Spring/Ashton Master Plan



Staff Recommendation: Approval to Transmit
Comments to the County Council

Summary

The proposed boundary change will modify the State of Maryland Certified Priority Funding Area (PFA). The change meets the following findings:

1. Served by public or community sewer systems
2. Have an average permitted density of at least 2.0 units per acre
3. Consistent with the Sandy Spring/Ashton Master Plan
4. Within the 10 Year Sewer Plan

The proposed boundary change is necessary to allow the Friends House to apply to a variety of State funding programs for expansion and revitalization the existing housing.

STAFF RECOMMENDATION

The staff recommends *Approval to Transmit Comments to the County Council*.

The proposal from the Friends House will modify the State of Maryland Certified PFA. Staff will also prepare the technical materials and data for submission to the Maryland Department of Planning to be included in the final transmittal to the State of Maryland by the County Council.

PROJECT DESCRIPTION

The Friends House is an institutional use providing various levels of assisted living support to the Sandy Spring community since 1965. The facility operates under a Special Exception to provide 223 independent living units, 30 assisted living units, and 77 nursing home units (330 units total). To date, only 238 units have been constructed. Because funding from the U.S. Department of Housing and Urban Development (HUD) is being eliminated, Friends House is seeking alternative funding sources to help redevelop and enhance their service and operations.

One of the prerequisites of many programs offered by the State of Maryland, including the Maryland Department of Housing and Community Development, is to be located within the State's Certified PFA. Without this designation, applications for such funding programs cannot be considered.

PFA's were established in the 1997 Priority Funding Areas Act (a.k.a. the Smart Growth Act). The Maryland Department of Planning coordinates the process of updating PFA's by providing technical assistance, review and comment of PFA's and the opportunity for public review.

PFA's are geographic growth areas defined under State law and designated by local jurisdictions to provide a map for targeting State investments in infrastructure. The State of Maryland has setup up this geographic PFA framework in order for all State agencies to review their priorities and funding objectives through a Smart Growth prism. This is why the requirements for Certified PFA's are focused on access to current or planned sewer infrastructure and a residential housing density high enough to make State investments cost effective.

FINDINGS AND ANALYSIS

The State of Maryland requires the following findings to modify and certify an area to be in a PFA.

1. Served by public or community sewer systems:

All of the Friends House property is currently served by public sewer and water infrastructure. (See Attachment A)

2. Have an average permitted density of at least 2.0 units per acre

The density meets the requirements of the State. Friends House is an institutional use under a Special Exception in conformance with code requirements of Montgomery County. Currently, Friends House has 238 housing units of various assisted living types. Under their Special Exception, they are approved for up to 330 units.

Friends House encompasses approximately 62.5 acres of property. The current housing density is 3.83 dwelling units per acre. When additional development proceeds under the approved Special Exception, the housing density will result in 5.32 dwelling units per acre. Both the current and future housing densities for this institutional use exceed the State's minimum residential density requirements of 2.0 dwelling unit per acre to be considered a Certified PFA.

The underlying RE-2 zoning allows a maximum density of one dwelling unit per two acres. Because it is an institutional use with 5.32 units per acre allowed under the Special Exception, it meets the State's criteria regardless of the underlying zoning.

In addition to the State of Maryland findings, staff has completed the following:

3. Consistent with the Sandy Spring/Ashton Master Plan

The proposed boundary change is consistent with the recommendations in the Sandy Spring/Ashton Master Plan. This Master Plan focuses on seven goals related to Land Use, Housing, Economics, Transportation, Environment, Community Identity and Design, and Regionalism. The Housing goal of this Master Plan is to "encourage and maintain a wide choice of housing types and neighborhoods for people of all incomes, ages, lifestyles, and physical capabilities at appropriate densities and locations" (Page 6).

The Economic goal is to "promote a healthy economy, including a board range of business, service and employment opportunities at appropriate locations" (Page 6). The Plan further elaborates about the desire to "retain the existing small scale business, service and employment opportunities in the village centers and at campus institutional uses such as Friends House Retirement Community" (Page 6). The Plan also encourages this economic growth in existing areas of development rather than developing new areas.

The Land Use Plan within the Master Plan identifies the Friends House property as Public/Institutional (Page 28). Friends House has continued to provide services in conformance with the Master Plan.

Friends House is located within the Rural Legacy Area (note: this area is different than the State of Maryland's Rural Legacy Areas) which seeks to preserve rural character and provide an attractive setting for existing institutions. The recommendation (page 16) for this area seeks to:

"Continue the rural setting of the Sandy Springs Friends School and Friends House Retirement Community. Expansion of these institutions should include at least 60 percent open space overall, and the open space should be located so as to maintain the rural setting."

4. Consistent with the 10 Year Water and Sewer Plan

The Friends House property is consistent with the recommendations in the 10 Year Water and Sewer Plan and within the Sandy Spring/Ashton Master Plan's recommended sewer service envelope (Page 84). This property is currently served by public sewer service.

CONCLUSION

Staff recommends the Montgomery County Planning Board support modifications to the State of Maryland Certified Priority Funding Area (PFA), and staff will prepare the technical materials and data for submission to the Maryland Department of Planning.

Attachments

Attachment A: Area Map

Attachment B: Aerial Map

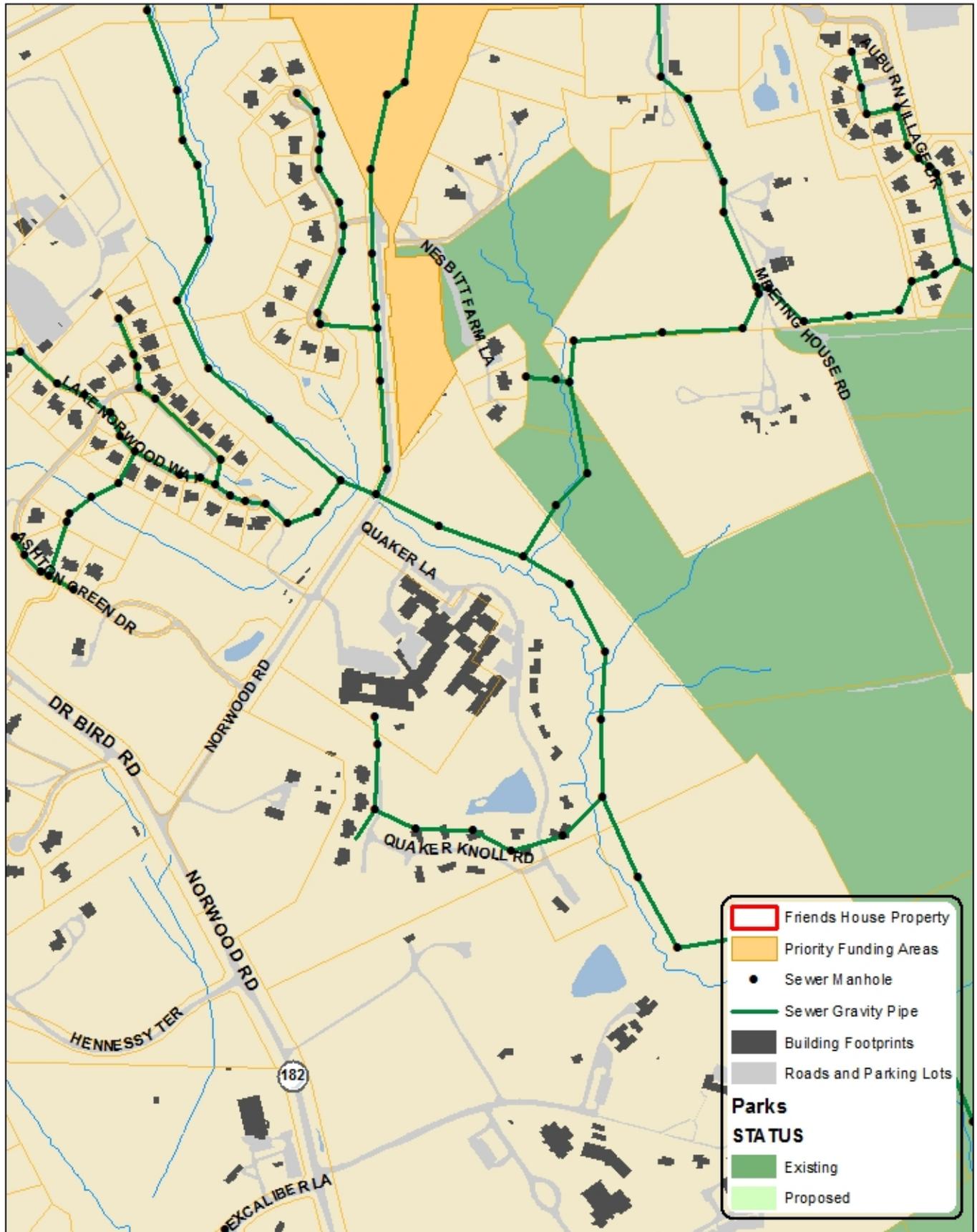
Attachment C: Request letter from applicant

Attachment D: Land Use Plan

Attachment E: Sewer and Water Service Envelope

Attachment F: How to Revise & Update Priority Funding Areas document

Friends House Priority Funding Area Vicinity Map



	Friends House Property
	Priority Funding Areas
	Sewer Manhole
	Sewer Gravity Pipe
	Building Footprints
	Roads and Parking Lots
Parks	
STATUS	
	Existing
	Proposed

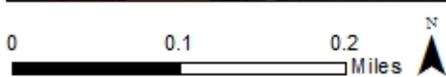
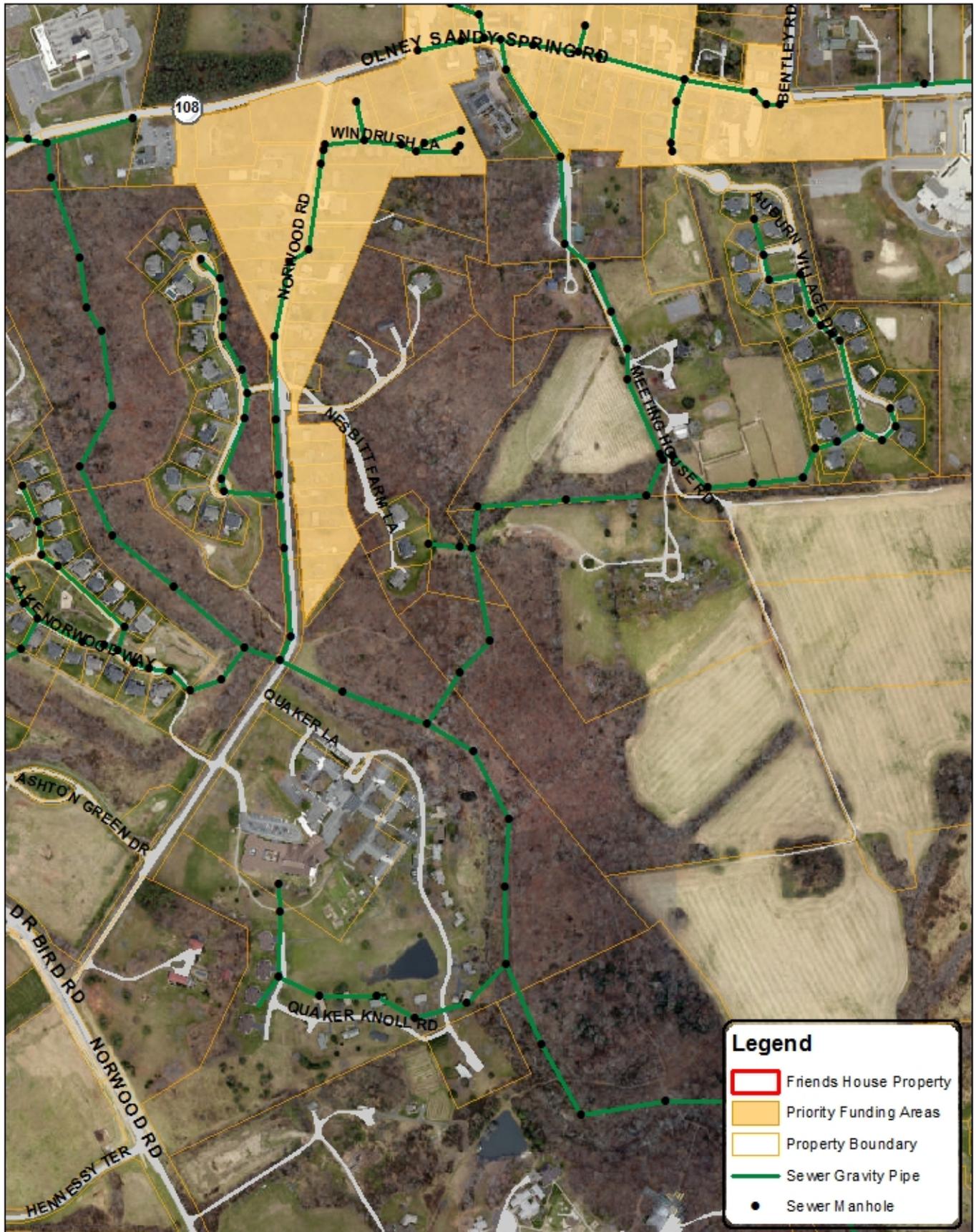
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10/03/2014
Sources: M-NCPPC, 2014

Friends House Priority Funding Aerial Map



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Today's Date
Sources: M-NCPPC, 2014



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July 23, 2014

Ms. Gwen Wright
 Planning Director
 Maryland-National Capital Park and
 Planning Commission
 8787 Georgia Avenue
 Silver Spring, Maryland 20902

Re: Request for Priority Funding Area (PFA) Boundary Amendment in the Sandy Spring/Ashton Planning Area for Inclusion of Friends House, Inc.

Dear Ms. Wright:

Our firm represents Friends House, Inc., a non-profit organization, which operates a special exception for a nursing home and housing for the elderly on its approximate 62 acre campus located at 17230 Quaker Lane in Sandy Spring. Our purpose in writing to you is to formally request that the Planning Board and the County Council amend the Priority Funding Area boundary in the Sandy Spring/Ashton Planning Area to incorporate the Friends House campus. Friends House is preparing to file a request to modify its current special exception approval in order to renovate and expand its existing facilities, many of which provide housing and care for elderly individuals of limited financial means. Inclusion of the Friends House campus within the Priority Funding Area would allow Friends House to apply for assistance from the Maryland Department of Housing and Community Development (HCD) in order to rebuild its existing HUD 202 funded independent living facility. Under current HCD policy, an application for assistance for replacement housing will not be considered or evaluated unless the property is located in a Priority Funding Area.

Background

Friends House has provided care to the elderly at its Sandy Spring campus since 1965. Since that time, its special exception approval has been modified to allow for 223 independent living units, 30 assisted living units, and 77 nursing home units (330 total units). Not all of these approved facilities have been constructed, but of those that are existing (238 units), the majority serve an elderly population of low or modest income levels. The 100 unit HUD 202 funded independent living apartment building provides housing to low income elderly; the nursing home accepts patients who receive Medicaid.

The existing building that was HUD 202 financed was built in the 1960s and is past its useful life. Friends House is seeking alternative means of funding to enable it to reconstruct its facilities such that it would be able to continue its mission of providing affordable housing to lower-income elderly individuals. Financing the low income housing with tax exempt bonds, 4% low income housing tax credits, and soft secondary financing as additional subsidy is essential to undertake the redevelopment. There is no other funding option available insofar as HUD has eliminated new funding for the 202 housing program. However, in order for Friends House to be eligible for tax exempt bonds, tax credits, and soft secondary financing, the State first requires that the property be located within a Priority Funding Area.

Priority Funding Area

A Priority Funding Area (or “PFA”) is a geographic growth area defined under State law and designated by local jurisdictions to provide a map for targeting State investment in infrastructure. PFAs were established to meet three key goals:

- To preserve existing communities;
- To make the most efficient and effective use of taxpayer dollars for costly infrastructure by targeting State resources to build on past investments; and
- To reduce development pressure on critical farmland and natural resource areas by encouraging projects in already developed areas.

The Smart Growth Act authorizes counties to designate areas appropriate for growth as PFAs. Locally designated PFAs are evaluated by the Maryland Department of Planning (“MDP”) against criteria contained in the Md. State Finance and Procurement Code Ann. Sections 5-7B-02 and 5-7B-03. Among the areas eligible for designation are communities within locally designated growth areas provided certain criteria are satisfied. In this case, we believe it would be appropriate to designate the Friends House property as a PFA in accordance with Section 5-7B-03(d)(1) which allows PFA designation for existing communities within designated growth areas as follows:

“A community in existence prior to January 1, 1997 that is within a locally designated growth area may be designated as a priority funding area if the community:

(i) is served by a public or community sewer system and in that part of the community designated by the local government for residential use or development:

- 1. there is an average density of at least 2.0 units per acre; or*
- 2. if a portion of the community is undeveloped, the permitted average density is not less than 2.0 units per acre; or*

(ii) except as provided in paragraph (2) of this subsection, is served by a public or community water system and in that part of the community designated by the local government for residential use or development there is an average density of at least 2.0 units per acre.”

The Friends House property is already served by both public water and sewer. Moreover, it directly abuts property along part of its northern property line that is already designated as a PFA. While the underlying zoning of the property is RE-2, the existing special exception

approval allows a density that exceeds 2.0 units per acre.¹ There is precedent for similar approval to expand the PFA for three institutional uses on nearby properties occupied by Our Lady of Good Counsel High School, St. Andrew Kim Church and Andrew Kim Assisted Living Facility (all three fronting Md. 108 in the Olney Planning Area). The County approved the PFA designation for these properties in order for the projects to be eligible for tax credits from the State. The County similarly approved PFA designation for the Victory Terrace Senior Apartment site on Newbridge Drive in Potomac in order for that project to be eligible for low income housing tax credits from the State, the same tax credit benefits being pursued by Friends House.

State law defines a “locally designated growth area” as “an area determined by the county to be suitable for development in compliance with Title 1, Subtitle 4 or Title 3 of the Land Use Article (Section 5-7B-01(e)). Essentially, a “locally designated growth area” is an area determined by the county to be suitable for development in accordance with its comprehensive or general plan. The Friends House Retirement Community is one of three existing campus institutional uses that the master plan describes as among the “entry areas leading into the village of Sandy Spring...” The Master Plan for Sandy Spring/Ashton (1998) clearly anticipates future expansion of the Friends House Retirement Community by its inclusion of recommendations regarding how expansion should be accomplished so as to maintain the rural setting. (p.16, p.38) The County has determined that the institutional use on this campus is suitable for expansion, provided it is done in accordance with master plan guidelines.

Clearly, the proposed PFA boundary amendment satisfies the three key goals of the State law.

1. The preservation of existing communities: The State would not be required to invest in the actual infrastructure serving the Friends House Retirement Community because the sewer already exists and the roadways are in place. However, the favorable financing available through State bond tax credits would help to preserve the existing community of low income housing for the elderly in the County as the HUD 202 program expires and Friends House seeks to reconstruct its facilities.
2. The efficient and effective use of taxpayer dollars: Again, while the taxpayer dollar is not required for the infrastructure associated with sewer and roadways, amending the PFA to enable Friends House to be eligible for State bonds with

¹ The Friends House community has existed since 1965, long prior to January 1, 1997. It is currently served by public water and sewer. Average density is calculated pursuant to 5-7B-03(h) “based on the total acreage of all parcels in the area for which the principal permitted use is residential, excluding land: (1)(i) dedicated for public use by easement in perpetuity or fee acquisition; or (ii) dedicated recreational use; (2) subject to an agricultural easement under Section 2-508 of the Agriculture Article; (3) subject to an agricultural easement under a county agricultural land preservation program certified under Section 5-408 of this title; (4) used for cemetery purposes; (5) identified by a local governments as: (i)1. streams and their buffers; 2. 100-year flood plains; 3. habitats of threatened and endangered species; and 4. steep slopes; and (ii) on which development is prohibited by local law or ordinance; or (6) identified by a local government as delineated nontidal wetlands on which development is prohibited by State or local law or ordinance.”

The total approximate area of the site (62.2 acres) is reduced to approximately 47.0 acres for purposes of the density calculation when the stream valley buffer is excluded. The average density calculation based upon all 330 approved units (includes dwelling units and nursing beds) is 7.0 units/acre. The average density calculation based upon the 238 existing units is 5.1 units/acre. Thus, the average density well exceeds the minimum of 2.0 units per acre.

favorable tax credits, thereby allowing it to continue its mission of providing housing to low-income elderly individuals, would certainly be an efficient and effective use of taxpayer dollars.

3. Reducing development pressure on critical farmland and natural resources by encouraging projects in already developed areas: Friends House has been in existence since the 1960s and all of the development that is proposed will occur within the confines of the existing campus which is covered by the special exception.

For the foregoing reasons, we request that the Planning Board initiate the process necessary to formally amend the Priority Funding Area Boundary in the Sandy Spring/Ashton planning area to include the Friends House campus.

Thank you for your attention to this matter. Please feel free to contact me if you have any questions.

Very truly yours,

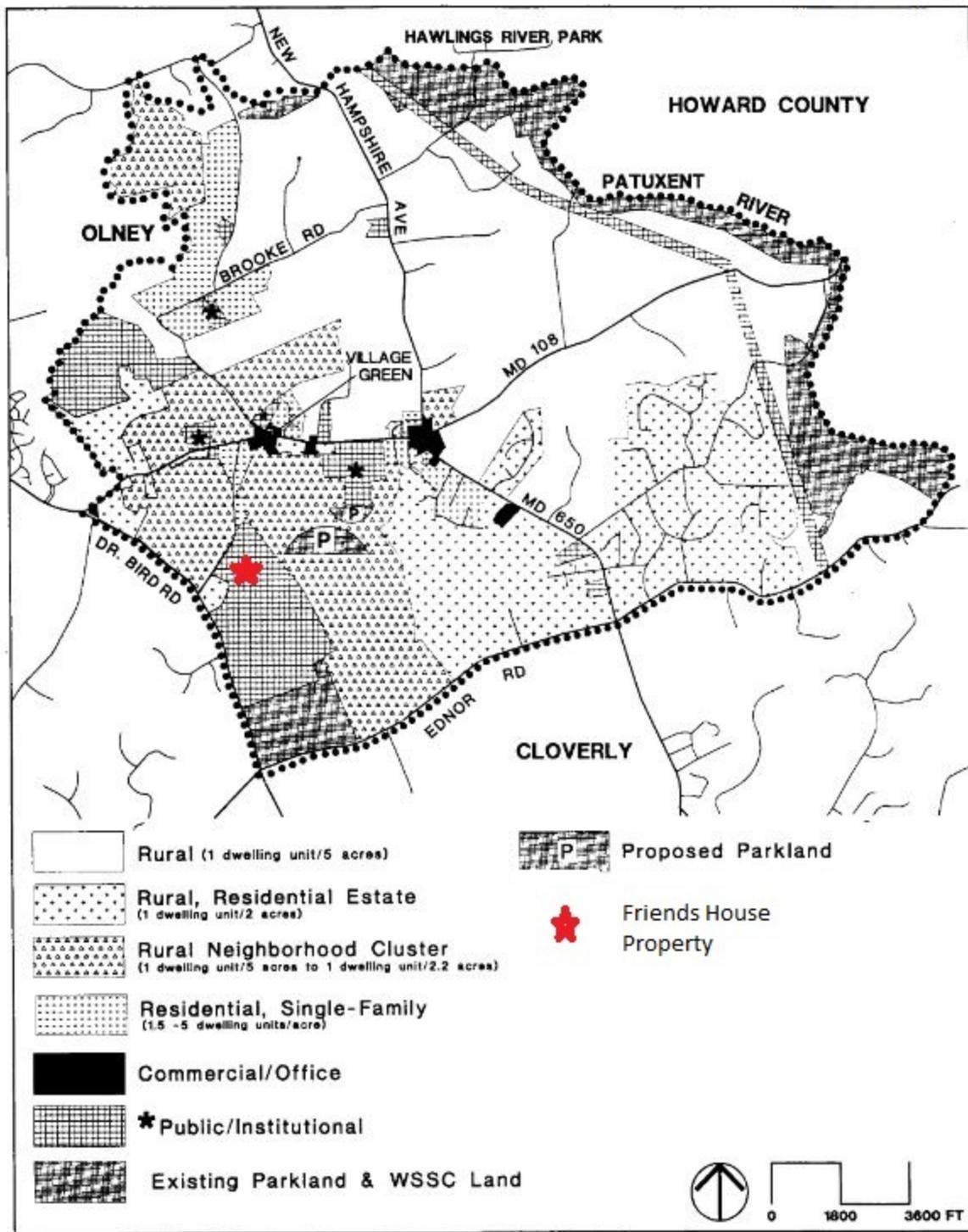
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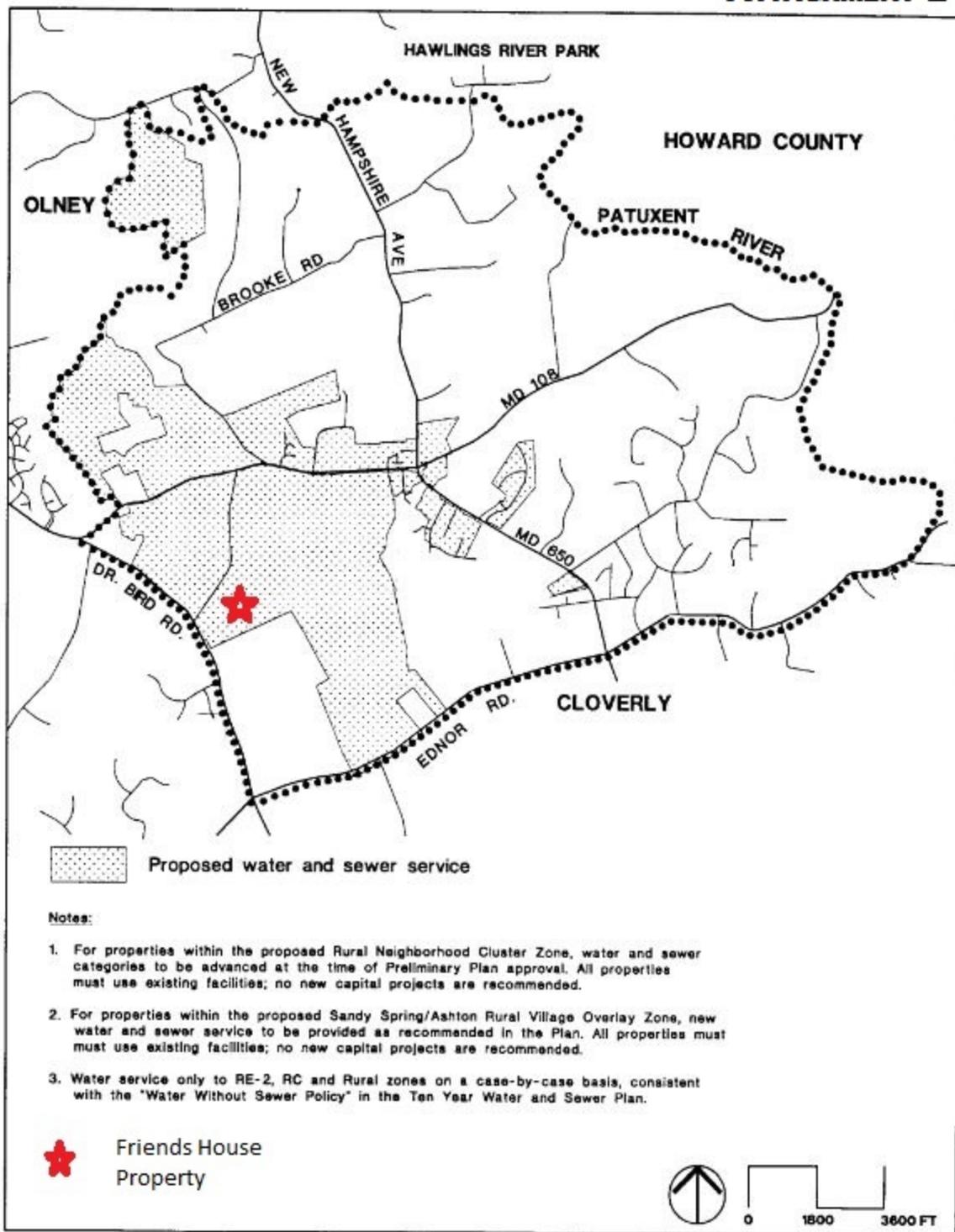


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Ryan Sigworth
Mark Symborski
Kevin Harrington
John Sekerak
Noel Eisenstat
Jim Price





Priority Funding Areas

PFAS

How to Revise & Update





Priority Funding Areas

PFAS

How to Revise & Update

August 2009

State of Maryland

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Governor

Anthony G. Brown
Lt. Governor

Maryland Department of Planning

Richard Eberhart Hall, AICP
Secretary

Matthew J. Power
Deputy Secretary

Maryland Department of Planning
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Priority Funding Areas, How to Revise and Update
August 2009 Publication No. 2009-004

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Criteria for Designating Priority Funding Areas

Priority Funding Areas (PFAs) reflect Maryland's commitment to direct future development in the State into established communities that are supported by existing or planned public services and infrastructure and protect our irreplaceable natural resources.

Priority Funding Areas were established by the 1997 Priority Funding Areas Act (the Smart Growth Act). The criteria for PFAs are defined in the Annotated Code of Maryland, State Finance and Procurement Article (SF&P), §5-7B-02 and §5-7B-03. The law also directs the Maryland Department of Planning (MDP) to coordinate the process of updating PFAs by providing technical assistance, review and comment of PFAs and the opportunity for public review.

Although PFAs have been in existence for more than a decade, there have been significant changes to the process of designating PFAs, especially for municipalities, as a result of the passage of HB1141 in 2006.

The purpose of this briefing paper is to clarify the process for a local government to revise and update its PFAs based on these changes. The 2006 amendments specifically require municipal areas annexed after October 1, 2006, to be evaluated based on the same criteria as counties under §5-7B-02 and §5-7B-03.

PFAs Defined

PFAs are geographic growth areas defined under State law and designated by local jurisdictions to provide a map for targeting State investment in infrastructure. The law directs the use of state funding for roads, water and sewer plants, economic development and other growth-related needs to PFAs, recognizing that these investments are the most important tool the State has to influence growth and development.

Priority Funding Areas were established to meet three key goals:

- To preserve existing communities;
- To make the most efficient and effective use of taxpayer dollars for costly infrastructure by targeting State resources to build on past investments; and
- To reduce development pressure on critical farmland and natural resource areas by encouraging projects in already developed areas.

PFAS
How to Revise & Update



Priority Funding Areas Established by Law

The Smart Growth Act designated certain areas as pre-defined Priority Funding Areas. These areas are the traditional core of Maryland's urban development and are areas targeted for economic development. These include:

- Municipalities as of January 1, 1997 (areas annexed after this date must meet additional requirements),
- Baltimore City;
- Areas inside the Baltimore and Washington Beltways;
- Neighborhoods designated for revitalization by the Department of Housing and Community Development ("Designated Neighborhoods");
- Enterprise and Empowerment Zones; and
- Certified Heritage Areas within locally designated growth areas.



Locally-Designated Priority Funding Areas

Local governments play a strong role in determining the location of development. The Smart Growth Act authorizes counties and municipalities to designate areas appropriate for growth as PFAs. Since October 1, 2006, municipalities must follow the same criteria as counties. Locally designated PFAs are evaluated by MDP against criteria in §5-7B-02 and §5-7B-03. Areas eligible for designation include:

Communities within locally designated growth areas prior to January 1, 1997 that:

- Have existing public or community sewer systems; and
- Have an average density of a least 2.0 units per acre in residential areas.

Areas beyond the periphery of an existing community that:

- Are served by public or community sewer systems; and
- Have an average permitted density of at least 3.5 units per acre.

Areas other than communities within locally designated growth areas that:

- are within a locally designated growth area of the local government; and
- are planned to be served under the approved 10-year water and sewer plan; and
- have an average permitted density of at least 3.5 units per acre in the parts designated by the local government for residential use or development; and
- reflect a long-term policy for promoting an orderly expansion of growth and an efficient use of land and public services;
- areas with industrial zoning (areas zoned after January 1, 1997 must be in a locally designated growth area and served by a sewer system).
- areas with employment as the principal use which are served by, or planned for, a sewer system (areas zoned after January 1, 1997 must be in a locally-designated growth area).
- existing communities (as of January 1, 1997) within locally designated growth areas which are served by a sewer or water system and which have an average density of two or more dwelling units per acre.
- Rural Villages designated in the Comprehensive Plan as of July 1, 1998.

Areas designated as PFAs must also be based on:

- an analysis of the capacity of land areas available for development, including in-fill and redevelopment; and
- an analysis of the land area needed to satisfy demand for development at densities consistent with the master plan.

ATTACHMENT F

In communities with water service but no sewer system and in Rural Villages, State funding is restricted to projects which maintain the character of the community. The projects must not increase the growth capacity of the village or community except for limited peripheral development or infill development.

Locally designated PFAs that do not meet all of the State requirements are “PFA Comment Areas.” Because the demand for State funding of infrastructure exceeds available resources the State has established a process to evaluate funding requests in comment areas.

PFAS
How to Revise & Update



How Local Governments Can Revise and Update Priority Funding Areas

A local jurisdiction may revise its Priority Funding Area map. There are several types of revisions that are possible:

- Expanding PFA boundaries;
- Contracting PFA boundaries; or
- Expanding some areas while contracting others.

Reasons for revising a PFA boundary might include a change in zoning, a change in a jurisdiction's water and sewer plan, or a revised supply/demand analysis. If a jurisdiction is simply interested in contracting its boundaries, the process for updating the maps will likely be more streamlined.

ATTACHMENT F

All revisions and updates must be communicated to MDP in writing. A letter explaining the changes to the PFA must be addressed to the Department:

Maryland Department of Planning
Attn: Richard E. Hall, AICP, Secretary
301 West Preston Street, Room 1101
Baltimore, MD 21201

Documentation should include a map and description of the parcel(s) affected by the change, the justification for the change to the PFA, and verification that the area meets the criteria for PFA. The following information is required as part of the PFA submittal:

- A map of the proposed changes to the PFA. If possible all maps should be submitted on paper as well as in a GIS-compatible format;
- Zoning information, including permitted residential densities of the area;
- The status of sewer service (existing, planned, or in a 10- year adopted water and sewer service area);
- A determination and reference as to whether the area submitted for PFA is within a locally designated growth area;
- Information that could help inform MDP's analysis of supply and demand;
- Other relevant information, i.e., total acres, annexation resolution number (if applicable), relationship to the comprehensive plan and land use plan; and
- The jurisdiction's technical contact for correspondence with the Department.

ATTACHMENT F

MDP will review the PFA revisions in the context of the requirements of SF&P §5-7B-02 and §5-7B-03. This review process will take approximately 45 days from MDP's initial receipt of the package. If any of the necessary review items are not included with the package, MDP will request that they be provided. This scenario could extend MDP's review period.



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Maryland Department of Planning

Richard Eberhart Hall, AICP, Secretary
Matthew J. Power, Deputy Secretary