

**Priority Funding Areas**

# **PFAS**

**How to Revise & Update**





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August 2009

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Priority Funding Areas, How to Revise and Update  
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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.

PFAs

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.

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## 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.

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 and 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.

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## 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.

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.

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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