

OFFICE OF RACIAL EQUITY AND SOCIAL JUSTICE

Marc Elrich County Executive

Tiffany Ward Director and Chief Equity

MEMORANDUM

March 14, 2024

To: Jennifer Bryant, Director

Office of Management and Budget

Tiffany Ward, Director From:

Tiffany Ward, Director
Office of Racial Equity and Social Justice

Racial Equity Impact Assessment (REIA) Supplemental Appropriation (SA) #24-53 Re:

Amendment to the FY24 Capital Budget Montgomery County Government

Department of Public Libraries Clarksburg Library

- I. **FINDING:** The Office of Racial Equity and Social Justice (ORESJ) finds that Supplemental Appropriation #24-53 FY24 Capital Budget - Montgomery County Government Clarksburg Library has the potential to advance racial equity and social justice in Montgomery County due to the creation of a needed library amenity, planned affordable housing, and potential access to bus rapid transit. However, using supplemental funds to evaluate and purchase an alternative site to construct a library does not have a notable racial equity impact. Much of the library project's impact will depend on future policy and process decisions related to transparency, accountability, community benefits, and adherence to best practices for planning and future land use. Therefore, ORESJ's finding is inconclusive.
- II. **BACKGROUND:** The proposed Supplemental Appropriation funds the initial phase of a new library in Clarksburg, Maryland. The project uses \$3,624,000 of General Obligation Bonds in Fiscal Year ("FY") 2024 and an additional \$3,206,000 accelerated from the FY 2025 budget to kickstart the design phase. This appropriation covers evaluating and purchasing an alternative site in FY 2024 at MD 355 and Stringtown Road. The proposed site is located at Clarksburg Square Road and Public House Road. This site is vacant, undeveloped, and adjacent to a residential neighborhood. The supplemental

¹ Office of Management and Budget Memorandum, "Supplemental Appropriation (SA) #24-53 Amendment to the FY23-28 Capital Improvements Program and Supplemental Appropriation #24-53 to the FY24 Capital Budget. January 12, 2024.

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appropriation would allow the Department of General Services (DGS) to enter into a contract for the library's design if approved.

In July 2015, the Montgomery County Planning Board approved a 1.1-acre site to construct a new library. Construction is scheduled to begin in Fiscal Year 2026. It will offer Clarksburg's residents more access to library services by eliminating the need for travel to other library branches in nearby Damascus and Germantown. Due to project scope adjustments, the budget has increased by over \$1 million above initial estimates.

History of the Clarksburg Town Center Development

In 1994, the County released the *Clarksburg Master Plan & Hyattstown Special Area* Plan ("Plan" or "Master Plan"). The Plan detailed a long-term vision for Clarksburg as "a transit and pedestrian-oriented community surrounded by open space." The Plan called for a hub of civic amenities like a library to anchor the Town Center as a central point for public life. Since 1994, the County has adopted several amendments to the Plan. For more background on these amendments, see Figure 1.

FIGURE 1: HISTORICAL OVERVIEW OF CLARKSBURG'S PLANNING INITIATIVES

PLANNING INITIATIVE	BRIEF DESCRIPTION
The General Plan: 1964-1993	This plan was a general guide for Clarksburg's development as a "corridor city" and established a framework for future development.
1968-1969 Master Plan	Updated and supplemented the 1964 Plan to "respond to present-day conditions."
1994 Clarksburg Master Plan & Hyattstown Special Study Area	The County amended the 1968 Clarksburg Vicinity and Master Plan to address policy concerns related to protecting environmental and historic resources, preserving farmland, recognizing the importance of transit-oriented land use patterns, and considering the fiscal implications of different land uses.
2011 Limited Plan Amendment	Refined zoning and land use strategies, such as a grocery store, to accommodate evolving environmental and community development needs.
2014 10 Mile Creek Area Limited Amendment	Addressed environmental protection and land use in the 10 Mile Creek watershed.

² Maryland-National Capital Park and Planning Commission, "Clarksburg Master Plan & Hyattstown Special Study Area" 1993, page 191.

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PLANNING INITIATIVE	BRIEF DESCRIPTION
Corridor Forward: The I-270 Transit Plan	Proposed improvements to transit infrastructure along the I-270 corridor to enhance connectivity.
The New General Plan: Thrive Montgomery 2050	A Comprehensive Plan that envisions sustainable growth, equity, and environmental resilience in Montgomery County's development through 2050.

Principles of the Clarksburg Master Plan

The Plan outlined key policies and principles guiding the area's transformation. Overall, it emphasized phased development to balance fiscal concerns with community building and environmental goals. Other policies and guiding principles highlighted the need for a comprehensive transit system to reduce car dependency, create a transit-oriented, multi-use Town Center, and create livable and walkable neighborhoods.

As the Plan proposes, the Clarksburg Town Center should feature facilities such as a school, civic buildings, parks, retail centers, and diverse housing options.³

Clarksburg Demographics

The Plan recognized Clarksburg as one of the "County's oldest and most significant early communities." Since 2010, Clarksburg has experienced significant demographic changes." By 2025, the county forecasts Clarksburg's population will grow to nearly 40,000 residents.

Many newcomers to the area are white or Asian/Pacific Islanders and high-income earners. According to Census data, Clarksburg's population is 40.2% Asian/Pacific Islander, 31.3% white, 15.8% Black, and 11% Hispanic residents.⁷ Clarksburg's median household income (\$130,905) exceeds the county median income (\$117,345).⁸

⁴ Ibid, page 26.

³ Ibid.

⁵ See the "Clarksburg Gateway Sector Plan: Existing Conditions Report", November 2023, Page 10.

⁶ See Project Justification in the <u>FY 2024 CY Budget Changes</u> Capital Budget Chapter.

⁷ US Census <u>Quickfacts</u>, Clarksburg CDP MD, July 2022; and see County responses to the <u>FY25 Capital Budget and FY25-30 Capital Improvements Program Budget Equity Tool</u>, 2023. Note, the 2023 "Existing Conditions Report" provides the following demographic breakdown: "By 2020, Asians/Pacific Islanders were 35% of the population and were still the largest racial group, followed by [w]hites (24%), Blacks (21%), and Hispanics (15%).

⁸ The median household income for the Census Bureau's Census Designated Place (CDP) of Clarksburg (estimated population of 29,051) was \$152,917 in 2021 versus \$117,345 for Montgomery County as a whole; see page 15 of the CGSP Listening Session #2: Land Use, Housing, Economic Development, and Employment Presentation, October 2023.

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General Obligation Bonds

The proposed supplemental appropriation authorizes the County to use General Obligation Bonds (GO Bonds). GO bonds are a public financing tool governments use to fund capital projects. GO Bonds are backed by tax revenue, which means that the government promises to use the money it collects from taxes to pay back the people who invested in the bonds. Montgomery County will use GO Bonds for the Clarksburg Library, with a specific allocation of \$6.8 million. The total cost of the library over a six-year plan is \$33.74 million.

III. **ANALYSIS**: This racial equity impact assessment acknowledges that planning for a Clarksburg library has been years in the making. This assessment also recognizes the importance of all County residents' access to civic amenities such as schools, post offices, and libraries. However, if racial equity is not centered on land use, public financing, and economic development decisions, those decisions can have negative consequences, particularly for Black communities and other communities of color.

This issue highlights a concern: although white and Asian/Pacific Islander residents stand to benefit the most from the new library, Black and Hispanic residents, who already experience racial inequities in wealth, income, and access, may have the least opportunity to use it. Despite this, Black and Hispanic residents are still required to contribute to the project financially. This contribution does not account for the unequal likelihood of accessing the library's resources.

As of the time of the writing of this REIA, ORESJ needs more information about the project, the developer, commitments the developer has or may have made, any community benefit agreements, or basic documents such as a term sheet or a land-lease agreement, if available. Achieving racial equity is both a process and an outcome. Ensuring ORESJ has access to timely, relevant, and accurate information will help ensure a robust and detailed racial equity impact assessment is completed. Taking affirmative steps to ensure the public has access to the latest information regarding the project and how and when decisions are being made will help increase input from the community and ensure their voices are heard.

According to DGS and Montgomery County Public Libraries (MCPL), the County is evaluating an alternative site to explore the feasibility of including affordable housing in the construction of the proposed library.

⁹ The people who invest in bonds are typically individual investors, financial institutions, and sometimes other governmental entities. They purchase bonds as a form of investment, lending money to the government to get their investment back with interest over time.

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Adding to the County's affordable housing stock and ensuring availability across income groups would likely help the County achieve its affordable housing goals to create 41,000 new homes by 2030. Given persistent racial inequities in homeownership, rent burden, the increase in interests rates and growing pressure on housing supply, creating additional affordable units across income levels has the potential to remove barriers to homeownership and alleviate housing burden disproportionately experienced by Black and Hispanic residents. ^{10 11} In Montgomery County, 40 percent of Black residents own their homes compared to 54 percent of Hispanic residents, 71 percent of Asian and Pacific Islanders, and 76 percent of white residents. ¹²

Providing documentation of a) commitments to build affordable housing or b) specific details or plans outlining basic information points such as the total number of affordable units, breakdown of income level restrictions, a breakdown of affordable units by size (square feet and number of rooms), the number of affordable units available for rent or for purchase, and whether there are affordable covenants that run with the land. This information will give the public and decision-makers a more robust understanding of the project's scope and how it might improve outcomes for Black and Hispanic residents.

The County should take affirmative steps to ensure it meets its MPDU goals—a minimum of 12.5 percent. The MPDU program aims to "make housing affordable to low, moderate, and middle-income households a priority in all parts of the County." Given the County's racial inequities in homeownership and rent burden, meeting the legal MPDU requirements has the potential to help Black and Hispanic residents who disproportionately earn less than 70 percent AMI.

As the County moves deeper into each subsequent development phase, it should continue to track and publicly report its status toward reaching its goals. The tracking and monitoring of these goals should be tracked by clearly stating the goal, how many eligible units have been sold or rented to date, and how many MPDUs are in the pipeline. This should be done for each development across Clarksburg. Additionally, future feasibility and housing assessments could include more detailed information on how the proposed project will help the County meet its overall MPDU goals.

Notably, the library will be constructed near future bus rapid transit (BRT) routes and accessible by Ride On. BRT access would likely increase access to the library, and, in the

¹⁰ Emilia Calma, Racial Equity in Housing in Montgomery County: Considerations and Best Practices, 2019.

¹¹ Montgomery County Housing Needs Assessment, July 2020, page 11 and 15.

¹² National Equity Atlas, Homeownership Rates in Montgomery County, MD.

¹³ Montgomery County Housing Needs Assessment, July 2020.

¹⁴ COMCOR. Chapter 25A. Housing, Moderately Priced. Sec. 25A-2. Declaration of public policy. Available at: <a href="https://codelibrary.amlegal.com/codes/montgomerycounty/latest/montgomerycounty/

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event affordable housing is built in the future, it would ensure that those residents and all Clarksburg residents have access to jobs, retail, and other essential services.

Ultimately, while the project has the potential to create opportunities for diverse hiring and programming, more information is needed to provide additional details. The selection of the library's location should be evaluated against strategic goals and the best value for public investment. Transparency in the evaluation process and funding decisions is needed for ensuring accountability, maintaining public trust, and advancing racial equity and social justice.

cc: David Dise, Director, Department of General Services Anita Vassallo, Director, Montgomery County Public Libraries Ken Hartman, Director, Office of Strategic Partnerships, Office of the County Executive