Using Incentives to Manage Growth: An Assessment of Maryland’s Smart Growth Program

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Abstract

In 1997 Maryland burst into the national spotlight with a package of legislation collectively referred to as smart growth. Maryland’s smart growth programs are innovative for a number of reasons. From the outset, then Governor Glendening sought to develop a strategy that preserved local autonomy, could be rapidly implemented, would not create a new bureaucracy, and had modest budgetary impacts. But perhaps the feature that most distinguishes the Maryland approach from its predecessors, and made it so politically attractive, is its reliance on spatially specific incentives instead of land use regulations. The efficacy of such a strategy, however, has never been tested.

In this presentation, I present the results of research at the National Center for Smart Growth on the efficacy of Maryland’s incentive-based approach some 15 years after it was adopted. Specifically I discuss the performance of three policy instruments:

- Priority Funding Areas: areas designated for growth where state agencies were to direct growth related expenditures, such expenditures on roads, wastewater, and economic development.
- Rural Legacy Area: Areas designated for conservation and eligible for receiving state funding for land preservation.
- Community Legacy Areas: Areas designated for revitalization and the focus of state funding for housing and community development.

Overall the results have been mixed but generally disappointing. Priority Funding Areas have not been successful at containing growth; development continues in Rural Legacy Areas, and Community Legacy designation has had minimal impacts on the probability of housing rehabilitation. I conclude that spatial targeting of state funds is likely to have limited success as a growth management strategy.

The presentation is based on three papers available for downloading at URLs below:


http://smartgrowth.umd.edu/articles/JAPA-SSG-ms009_R.docx

Does Maryland’s Community Legacy Program Influence Redevelopment Decisions? presented at the APPAM meetings, 5/10, Boston, MA.
http://smartgrowth.umd.edu/articles/LewisKnaap_BaltCityRedevpt.docx