NORTH CAROLINA GENERAL ASSEMBLY



LEGISLATIVE STUDY COMMISSION ON URBAN GROWTH AND INFRASTRUCTURE ISSUES

INTERIM REPORT TO THE
2010 SESSION
of the
2009 GENERAL ASSEMBLY

APRIL 20, 2010

A LIMITED NUMBER OF COPIES OF THIS REPORT ARE AVAILABLE FOR DISTRIBUTION THROUGH THE LEGISLATIVE LIBRARY

ROOMS 2126, 2226 STATE LEGISLATIVE BUILDING RALEIGH, NORTH CAROLINA 27611 TELEPHONE: (919) 733-7778

OR

ROOM 500 LEGISLATIVE OFFICE BUILDING RALEIGH, NORTH CAROLINA 27603-5925 TELEPHONE: (919) 733-9390

TABLE OF CONTENTS

Γransmittal Letter	4
Preface	5
Commission Proceedings	6
Commission Findings and Recommendations	13
Proposed Legislation	14
Appendix A – Authorizing Legislation	20
Appendix C – Commission Meeting Agendas	

TRANSMITTAL LETTER

The Legislative Study Commission on Urban Growth and Infrastructure Issues respectfully submits the following report.

Senator Floyd B. McKissick, Jr.

Co-Chair

Representative Jennifer Weiss

Co-Chair

PREFACE

The Legislative Study Commission on Urban Growth and Infrastructure Issues was established in Part XXXVI of Session Law 2008-181¹ (Studies Act of 2008) to determine the measures the General Assembly may take to foster regional water resource and transportation planning, incentive-based local land use planning, and more responsive and cost-effective planning to accommodate rapid population growth in North Carolina's urban areas. The Commission consists of 14 members,² five appointed by the President Pro Tempore of the Senate, five appointed by the Speaker of the House of Representatives, and four members representing North Carolina's urban areas appointed jointly by the Speaker of the House of Representatives and the President Pro Tempore of the Senate, including at least one member from Wake, Durham, or Orange County, one member from Forsyth or Guilford County, and one member from Mecklenburg County.

Since its creation, the Commission has held the following seven meetings in the Legislative Office Building in Raleigh:

January 26, 2009 November 5, 2009 December 2, 2009 January 21, 2010 February 25, 2010 March 23, 2010 April 20, 2010

Based on reports and presentations received by the Commission, the Legislative Study Commission on Urban Growth and Infrastructure Issues presents the recommendations contained in this report. A complete record of each meeting is available in the Commission notebook which is filed in the Legislative Library. Copies of the presentations made and handouts distributed to the Commission are available at the Commission's website at: http://tinyurl.com/NCGAUGII.

¹ The Commission's authorizing language is included in Appendix A of this report.

² A list of the full Commission membership is included in Appendix B of this report.

COMMISSION PROCEEDINGS

The Commission conducted a thorough review of urban growth and infrastructure issues during the 2009-2010 legislative interim including the receipt of over 30 presentations from many different local, State, and national expert speakers.³

January 26, 2009

The first meeting was held January 26, 2009 at 2:00 p.m. in Room 414 of the Legislative Office Building. The first presenter was John Hodges-Copple, Commission member and Regional Planning Director of Triangle J Council of Governments, who identified four assets to harness in managing urban growth: (1) human capital; (2) innovation; (3) quality of place and; (4) infrastructure. The next presenter was Bill Holman, the Director of State Policy at the Nicholas Institute at Duke University and coauthor of the Water Allocation Study. Mr. Holman presented water challenges. Next, Meg Ryan O'Donnell and Beau Mills, co-authors of the 2001 Findings and Recommendations of the Commission on Smart Growth, Growth Management, and Development, presented an overview of the Commission's report. The last speaker was Lisa Hollowell, Commission staff, who presented the goals and recommendations of the 21st Century Transportation Committee.

November 5, 2009

The second meeting of the Commission was held on Thursday November 5, 2009 at 9:00 a.m. in Room 544 of the Legislative Office Building. Senator Floyd B. McKissick Jr. presided. Ms. Jennifer Mundt, Commission Analyst provided a brief summary of the January 26, 2009 meeting of the Commission.

Dr. David R. Godschalk, Stephen Baxter Professor Emeritus in the Department of City and Regional Planning at the University of North Carolina at Chapel Hill provided a presentation on the previous State planning initiatives and a general planning overview to the Commission. Dr. Godschalk's presentation focused on the lessons learned from history of previous North Carolina growth policies and the past growth-related legislation and study commissions that have been enacted and established over the past 35 years.

Two presentations were made in order to provide the Commission with data outlining population growth trends and forecasts. Mr. Robert Coats, the Governor's Census Liaison and Coordinator for the State Data Center in the Office of State Budget and Management presented the current and projected demographic trends in North Carolina. Mr. Coats provided a general overview of the projected growth of the State and explained charts that displayed the State's annual percentage population growth exceeding that of the United States'. Mr. Coats's presentation included slides that listed the State's most populous counties in 2008 and those projected to be most populous in 2029 (Wake, Mecklenburg, Guilford, Forsyth, and Durham) all of which are urban counties. Ms. Jennifer Song, the State Demographer in the State Data Center in the Office of State Budget and Management provided additional population and trend information. Ms. Song stated that the State is growing, the population is aging, and it is becoming more diverse and that the State's population is projected to exceed 12 million by 2030. Ms. Song described general housing trends in the State, the number of homes that have three or more vehicles, and general commuting patterns.

_

³ A full list of the Commission meeting agendas is included in Appendix C of this report.

Lastly, a suite of four brief presentations were made in order to provide the Commission with an overview of the existing regional entities in North Carolina. Commission Analyst Ms. Kristin Walker, provided an initial overview and description as well as maps depicting the service area or boundary of eight regional entities and programs including: (1) the Councils of Government; (2) Regional Economic Development Partnerships; (3) Soil and Water Conservation Districts; (4) River Basins; (5) Metropolitan Planning Organizations; (6) Water and Sewer Districts; (7) School Districts; and (8) Rural and Urban counties. Each entity described has different and or overlapping service areas or boundaries with the other.

Mr. Joseph D. Crocker, the Assistant Secretary for Community Development in the North Carolina Department of Commerce provided an overview of the activities and programs in the Community Planning Program in the Department's Division of Community Assistance. The services provided by the Division include: growth management through the development of local plans and ordinances as well as zoning and subdivision ordinances; strategic planning for economic and community development; downtown revitalization assistance for small towns; training; and assistance through the 21st Century Communities Program.

Ms. Pat Harris, the Director of the Division of Soil and Water Conservation in the Department of Environment and Natural Resources (DENR) provided an overview of the Division. Ms. Harris explained that the local Soil and Water Conservation Districts (of which there are 96) provide leadership for the delivery of voluntary, incentive-based conservation programs that target the private working lands of the State. Ms. Harris reported to the Commission that North Carolina ranks 6th in the nation in urbanization and provided the Commission with a graph that displays a precipitous drop in the number of farms in the State from the 1950's to present day.

Ms. Dianne Reid, Supervisor of the Basinwide Planning Program in the Division of Water Quality in DENR provided an overview of the Programs activities. Ms. Reid stated that basinwide water quality planning is a nonregulatory, watershed-based approach to restoring and protecting the quality of North Carolina's surface waters. Basinwide water quality plans are prepared for each of the 17 major river basins in the State on a five-year cycle, with updates to critical information half way through each cycle. Basinwide plans are prepared by the Division and their implementation requires the coordinated efforts of many agencies, local governments and stakeholder groups in the State. The goals of basinwide water quality planning include: (i) identification of water quality problems and restoration of full use to impaired waters; (ii) identification and protection of high value resource waters; and (iii) protection of unimpaired waters while allowing for reasonable economic growth.

Mr. Mike Bruff, the Manager of the Transportation Planning Branch in the North Carolina Department of Transportation presented on both Metropolitan Planning Organizations (MPO) and Rural Transportation Planning Organizations (RPO). Mr. Bruff provided the Commission with a chart that compared the two organizations by their formation, how they are designated, the criteria that defines them, funding mechanisms, how monies are allocated, the funding formulas, the organizational structure, and core tasks.

December 2, 2009

The third meeting of the Commission was held on Wednesday December 2, 2009 at 1:00 p.m. in Room 544 of the Legislative Office Building. Representative Jennifer Weiss presided.

Dr. Gerrit Knaap, the Executive Director of the National Center for Smart Growth Research and Education provided a presentation on the best practices in state growth management using the states of Oregon and Maryland as case studies. Dr. Knaap first outlined the Oregon model which requires mandatory local land use planning, the use of Urban Growth Boundaries, exclusive farm and forest zoning, and also includes housing requirements and transportation-land use connections. Urban Growth Boundaries (UGB) are a key feature of the Oregon land use program and are used as a tool to limit where growth takes place in a particular area. In Oregon, local governments create the UGBs and they are approved by the state. UGBs are a part of each locality's comprehensive plan and must contain a 20-year supply of land for development within the UGB. They are reviewed every 3-7 years to ensure that they are meeting the growth needs of that area.

Next, Dr. Knaap provided an overview of the Maryland Smart Growth program which was created in 1997. Maryland's Smart Growth plan creates priority funding areas where development is supposed to be focused, as well as encouraging Brownfield redevelopment and live-where-youwork projects. Maryland also tries to create "greenbelts" by purchasing easements and development rights in rural areas. Maryland's program is incentive based and not regulatory, but it does require mandatory planning, similar to Oregon.

Finally Dr. Knaap presented seven recommendations for North Carolina: build on CAMA's success of coastal planning; enhance the State's planning capacity; coordinate State spending and investments; increase technical assistance to local governments; mandate local planning and zoning; establish priority funding areas or urban growth boundaries; and establish a research center on growth issues at UNC.

January 21, 2010

The fourth meeting of the Commission was held on Thursday January 21, 2010 at 1:00 p.m. in Room 643 of the Legislative Office Building. Representative Jennifer Weiss presided.

The Commission received comments from Secretary of the Department of Environment and Natural Resources, Dee Freeman. Secretary Freeman discussed the nexus between the urban growth and infrastructure issues and those issues facing the State's environment. Secretary Freeman noted that the Department is working cooperatively with other State agencies to encourage and promote coordinated and sustainable planning throughout the State.

Ms. Shelley Poticha, the Senior Advisor for Sustainable Housing in the United States Department of Housing and Urban Development provided the Commission with a presentation on current federal initiatives on sustainable growth including the Livable Communities Act of 2009 (S. 1619) and the HUD-DOT-EPA Interagency Partnership for Sustainable Communities. Ms. Poticha described the Sustainable Communities Initiative and the coordinated cooperative efforts of the U.S. Departments of Transportation (DOT), Environmental Protection (EPA), and Housing and Urban Development (HUD) to bring it to fruition. The three federal agency leaders (LaHood, Jackson, and Donovan respectively) each signed on to "Six Livability Principles" including:

- 1. Provide greater transportation choices
- 2. Promote equitable and affordable housing
- 3. Enhance economic competitiveness
- 4. Support existing communities
- 5. Coordinate and leverage federal policies and programs

- 6. Value communities and neighborhoods in rural, urban, and suburban settings Ms. Poticha described the federal funding that would be available to local, regional, and state governments through competitive grants to affect these principles on the ground. Of the \$150 million available from HUD:
 - \$100 million will be awarded as planning grants to regions is directed for integrated regional visioning and implementation
 - \$40 million will be awarded through a challenge grant program to local governments and states that wish to implement sustainable ordinances or require assistance in the rewriting zoning codes.
 - \$10 million will be awarded in support of research for policy reform and capacity building.

Ms. Poticha also stated that an additional \$200 million will be made available by DOT and EPA for programs that are aligned with the aforementioned principles and initiatives.

Mr. Jim Westmoreland, the Deputy Secretary for Transit in the North Carolina Department of Transportation (DOT) provided a presentation on the North Carolina Sustainable Communities Partnership. The Partnership is comprised of a joint effort by the State DOT and the Departments of Commerce (DOC) and Environment and Natural Resources (DENR). Serving on the Partnership are Mr. Westmoreland representing DOT, Assistant Secretary Joe Crocker representing DOC, and Steve Wall representing DENR. Mr. Westmoreland described the State Sustainability Summit and the following key takeaways from that Summit:

- The Partnership is real and future actions will impact the State.
- North Carolina is behind the curve in some areas: there is no formal statewide structure on Sustainable Communities; there is a great need for interagency collaborations, particularly with regard to growth, land-use, and transportation policies.
- The Summit has prompted enhanced dialogue among the partner agencies and who are working with the Governor's Office to position the State as a national leader in sustainability.

Mr. Westmoreland also discussed the exiting interagency initiatives including the Interagency Leadership Team, the Intergovernmental Advisory Group, and the Governor's Institute on Community Design as well as existing sustainability-related interagency initiatives.

February 25, 2010

The fifth meeting of the Commission was held on Thursday February 25, 2010 at 2:00 p.m. in Room 415 of the Legislative Office Building. Senator Floyd B. McKissick presided.

The Commission heard from two presenters representing local governments who discussed the existing laws and authorities that either promote or preclude intergovernmental cooperation. Mr. Jim Blackburn, Legislative Counsel for the North Carolina Association of County Commissioners provided an overview of those laws and authorities as they pertain to the counties. Mr. Blackburn commended Article 20 of Chapter 160A of the General Statutes to the members of the Commission as those statutes authorize counties to do what they do. Mr. Blackburn pointed out that the existing structure of local governments working from the "ground-up" rather than "top-down" approach allows them to identify economies of scale. According to a survey of county managers, Mr. Blackburn reported that most need assistance with intergovernmental cooperative efforts.

Mr. Karl Knapp, the Director of Research and Policy Analysis for the North Carolina League of Municipalities provided the municipal perspective. Mr. Knapp echoed much of what Mr.

Blackburn stated and then listed a number of existing intergovernmental agreements including established water and sewer authorities, water districts, and public transit systems. Mr. Knapp described other local government tools including tax increment and local bond financing.

Mr. George Lucier, Vice-Chairman of the Chatham County Board of Commissioners provided the Commission with a presentation on how local governments can best cope with the potential impact of growth on land use planning, schools, and the environment, using Chatham County's experiences as a case study. Mr. Lucier noted that the increased growth in Chatham County has put tremendous pressure on the County's schools and other infrastructure. The County enacted a \$3,500 impact fee that goes towards schools and the County has worked closely with the Town of Cary in the unanimous adoption of their joint land-use plan. Mr. Lucier also discussed the accomplishments of the County's Affordable Housing Task Force and the regional consortium that was established with Cary, Durham, and OWASA to manage long-term water needs.

Mr. Tandy Jones, Director of Special Projects for the Triangle Land Conservancy discussed voluntary conservation planning partnerships. Mr. Jones noted three important components to consider when planning effective conservation:

- 1. Recognize the value of voluntary planning and citizen involvement which increases the support and political viability.
- 2. Leverage knowledge and fiscal resources through partnerships which results in increased information and shared costs as planning becomes more expensive.
- 3. Recognize the appropriate role of the local government partner which achieves community support and institutional stewardship.

Mr. Jones described the process by which Chatham County adopted the first countywide conservation plan in the State and noted that the County has many assets that were aided by State agencies and varying levels of financial support.

March 23, 2010

The sixth meeting of the Commission was held on Tuesday March 23, 2010 at 2:00 p.m. in Room 643 of the Legislative Office Building. Representative Jennifer Weiss presided.

Mr. Roberto Canales, the Secretary's Coordinator of Strategic Initiatives in the North Carolina Department of Transportation (DOT) provided the Commission with an overview of the role of the Executive Branch in logistics planning. Mr. Canales stated the legislatively-driven development of a statewide logistics plan to address long-term economic, mobility, and infrastructure needs identified the following needs and recommendations for action:

- 1. Creation of a freight logistics authority to guide, oversee, and synchronize investments in transportation infrastructure.
- 2. Grow a knowledge-based economy.
- 3. Support existing industries.
- 4. Transition DOT to an operations-focused agency.
- 5. Support pass-through traffic.
- 6. Support import and export activity.
- 7. Support military activity.
- 8. Develop and provide innovative infrastructure.

Mr. Canales described Executive Order No. 32 to the Commission in that it created the North Carolina Logistics Task Force whose mission is to strategically create jobs and recruit industry by developing an efficient and cost-effective vision plan for the seamless movement of people, goods, and information throughout the State. At present, the Task Force: has begun GIS mapping of infrastructure inventory; held it's first introductory meeting; held regional educational outreach

sessions; created seven economic region subcommittees; and began gathering local, state, and national best practices.

Representatives from three of the State's regional urban transportation systems provided the Commission with overviews of their respective transit systems. Ms. <u>Carolyn Flowers</u>, the Chief Executive Officer of Charlotte Area Transit System, Mr. <u>Brent McKinney</u>, the Executive Director of the Piedmont Authority for Regional Transportation, and Mr. <u>David King</u>, the General Manager of Triangle Transit each provided statistics about the regions that are served by their respective transit systems, ridership of the systems, and future plans for growth of the systems.

Mr. Smedes York, Chair of Triangle Tomorrow and the Reality Check Action Committee presented on collaborative regional efforts and emphasized strategies regions should consider to accommodate economic success and growth. Mr. York described the three guiding principles for quality growth that were adopted by the participants in the Reality Check Summit in the Triangle Region. The following principles have been adopted by over 40 local and county governments and regional entities:

- 1. TRANSIT: improve regional transit, matching land use decisions with transit investments.
- 2. VIBRANT CENTERS: reinvest in city and town centers, promote compact development, density and mixed-use, included a balance of jobs and housing.
- 3. SUSTAINED GREEN SPACE: define appropriate growth and preservation areas to protect open space, agricultural land and natural resources, especially water supply and quality.

April 20, 2010

The seventh meeting of the Commission was held on Tuesday April 20, 2010 at 3:30 p.m. in Room 544 of the Legislative Office Building. Senator Floyd McKissick presided.

Mr. Bob Kucab, the Executive Director of the North Carolina Housing Finance Agency (Agency) provided the Commission with a presentation on financing housing in urban communities. Mr. Kucab began with a brief overview of the Agency's organizational structure and reported that the Agency supports over \$500 million of affordable housing each year with over 196,000 homes under its purview since 1974. Mr. Kucab identified those North Carolinians who need housing assistance to include first-time buyers, low-wage workers, elderly homeowners, disabled renters, and homeless people. Mr. Kucab also described the Housing Trust Fund that finances supportive housing and includes 2,200 units for people with mental illness and developmental disability; survivors of domestic violence, and the homeless. The Trust Fund leverages \$4 for every \$1 of State funds and has generated \$723 million in affordable homes, apartments, and housing rehabilitation. Mr. Kucab requested that Commission members continue to protect the \$10 million in recurring funds in this fiscal year's proposed budget and supports a \$50 million appropriation for the future.

Mr. Tom Barrie, a professor of architecture in the School of Design at North Carolina State University discussed affordable housing and the Sustainable Communities Initiative. Mr. Barrie described the mission of the School of Design in its role serving the 100 extension centers in the State to provide "urban outreach" educational resources for government, nonprofits, students, and the general public on issues facing North Carolina. Mr. Barrie described an affordable housing project currently underway in Wake County that is focused on transit-oriented development. The study will review and integrate best practices initiated by "savvy counties" from across the nation, namely those of Travis County and the City of Austin, Texas.

Ms. Karen Rindge, the Executive Director of Wake UP Wake County (WUWC), provided an overview of local growth and development issues to the Commission. Ms. Rindge provided information about WUWC and stated Wake County faces challenges due to the County's growth and all the impacts that result from rampant growth. Ms. Rindge listed the following recommendations for State action: (1) fund transit; (2) encourage water conservation; (3) support better water quality; (4) fund schools with a statewide real estate transfer tax; (5) enable exclusionary zoning; and (6) protect land.

Ms. Nancy Murray, the Chief Executive Officer of Builders of Hope (BoH) provided the Commission with a presentation on her organization and goals for its future. Ms. Murray stated that BoH will have 130 affordable housing units built out over the course of this year that include rehabilitated existing housing stock on-site and also relocating rehabilitated housing stock to new neighborhoods in urban areas. Ms. Murray pointed out that BoH is working on taking this model and applying it to rural communities. Rehabilitating existing housing stock has two environmental components: (1) keeps demolished homes and associated materials from entering landfills thereby retaining landfill space and (2) the rehabilitated homes are constructed in accordance with energy efficiency standards. Ms. Murray expressed her hope that the BoH model could be applied nationally in conjunction with the efforts of Sustainable Communities Initiative at the federal level.

Mr. Jeff Cherry, Staff Attorney, provided the Commission with an overview of the draft legislation that would create the North Carolina Sustainable Communities Task Force. The draft bill is included on page 14 of this report. Following Mr. Cherry's review of the draft legislation, Ms. Jennifer Mundt, Commission Analyst, walked the Commission through the draft Interim Report (dated April 16, 2010) and stated that the Report was before the members for their approval pending suggested changes to the Commission Interim Report and any clarifying, conforming, and technical amendments. This Interim Report was approved unanimously.

COMMISSION FINDINGS

- **FINDING 1:** North Carolina has a long history of growth and planning commissions and has a successful planning model in the programmatic implementation of the Coastal Area Management Act (CAMA).
- **FINDING 2:** North Carolina has a variety of regional entities, including Councils of Government and Metropolitan Planning Organizations that work with local organizations for regional solutions to transportation, land use, and water challenges. The work of these entities could be more strongly supported, be better coordinated, and more focused on sustainability.
- **FINDING 3:** The State should encourage its executive agencies to cooperate in the application for and distribution of grant monies that are available from public and private entities for the development and sustaining of healthy, safe, and walkable communities that are accessible to all North Carolinians. (See legislative proposal on page 14 of this Report).
- **FINDING 4:** Following the 2010 Session of the 2009 General Assembly, the Commission should continue its study of the issues included in its charge, including: (1) options for fostering regional planning for water and transportation infrastructure; (2) strategies, including additional local land use regulatory tools, for encouraging the use of incentive-based planning by urban area local governments; and (3) strategies to help urban communities maximize the benefits of growth and cope with the challenges presented by rapid growth in population, school enrollment, vehicle miles traveled on urban roads and highways, and related demands for other public services while preserving a viable economic climate and building greater regional cooperation.
- **FINDING 5:** North Carolina should consider developing statewide planning principles and guidelines.
- **FINDING 6:** The General Assembly should consider legislation that encourages State and local cooperation and coordination for multi-jurisdictional projects.
- **FINDING 7:** The Commission supports maintaining the trust funds and tax credits that are listed in the draft legislation found in this Interim Report that contribute to good growth and sustainable development.

PROPOSED LEGISLATION

1. NC Sustainable Communities Task Force.

 ${f U}$

BILL DRAFT 2009-MHz-122C [v.1] (02/10)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION) 4/29/2010 4:29:31 PM

Short Title: NC Sustainable Communities Task Force.

Sponsors: . Referred to:		
	A BILL TO BE ENTITLED	
	ESTABLISH THE NORTH CAROLINA SUSTAINABLE COMMUNITIES	
	RCE, AN INTERAGENCY COLLABORATION BETWEEN THE	
	ENTS OF ADMINISTRATION, COMMERCE, ENVIRONMENT AND	
	RESOURCES, TRANSPORTATION, HEALTH AND HUMAN SERVICES,	
	NORTH CAROLINA HOUSING FINANCE AGENCY FOCUSED ON	
	NG AND SUSTAINING HEALTHY, SAFE, AND WALKABLE	
COMMUNI	,	
	NDED BY THE LEGISLATIVE STUDY COMMISSION ON URBAN	
	AND INFRASTRUCTURE ISSUES.	
	sembly of North Carolina enacts:	
	TION 1. Article 10 of Chapter 143B of the General Statutes is amended by	
adding a new Pa		
	"Part 22. North Carolina Sustainable Communities Task Force.	
	0. North Carolina Sustainable Communities Task Force – findings.	
	General Assembly finds that the rapid growth of the urban and suburban areas	
	na and the economic challenges facing many of the State's urban cores, rural	
	er communities create a significant need for the strategic use of resources to	
plan and accom	nmodate healthy and equitable development without compromising natural	
	needs of future generations of North Carolinians.	
<u>(b)</u> <u>The</u>	General Assembly finds that the following principles describe sustainable	
development for	North Carolina's communities:	
<u>(1)</u>	Better transportation choices Offering safe, reliable, and economical	
	motorized and nonmotorized transportation options to decrease household	
	transportation costs, reduce dependence on foreign oil, improve air quality,	
	reduce greenhouse gas emissions, and promote public health.	
<u>(2)</u>	Equitable, affordable housing Encouraging the provision to North	
	Carolina citizens of all ages, incomes, races, and ethnicities expanded	
	location-, water- and energy-efficient housing choices that increase mobility,	
	decrease the impact on existing water and energy infrastructure, and lower	
	the combined cost of housing and transportation.	
<u>(3)</u>	Enhanced economic competitiveness Expanding business access to	
	markets and improving North Carolina's economic competitiveness through	

(Public)

reliable and timely access to employment centers, educational opportunities, 1 2 services, and other basic needs by workers. 3 Support of existing communities. – Targeting public funds toward existing (4) 4 communities that are using strategies such as transit-oriented, mixed-use 5 development and land recycling to increase community revitalization, 6 enhance the efficiency and cost effectiveness of public works investments, 7 and protect rural landscapes. 8 Coordination and leverage of State policies and investment. – Aligning State <u>(5)</u> 9 and local government policies and funding to remove barriers to collaboration, leverage funding, and increase the accountability and 10 11 effectiveness of government in planning for future growth. 12 Recognize and support communities and neighborhoods. - Preserving and (6) 13 enhancing the unique characteristics of rural, urban, and suburban 14 communities by investing in healthy, safe, and walkable neighborhoods. 15 "§ 143B-472.131. North Carolina Sustainable Communities Task Force – creation; purpose: duties. 16 17 There is created within the Department of Commerce the North Carolina Sustainable 18 Communities Task Force to lead and support the State's sustainable communities initiatives. 19 The duties of the Task Force shall be as follows: 20 <u>(1)</u> To apply for and receive, on behalf of the State, funding from federal, public 21 or private initiatives, grant programs, or donors that will foster sustainable 22 development in North Carolina. 23 To promote regional partnerships and to assist local governments and (2) 24 regional or interlocal organizations in North Carolina in seeking and 25 managing funding from federal, public or private initiatives, grant programs, or donors related to the planning, development, or redevelopment of the 26 27 State's communities in a sustainable manner. 28 <u>(3)</u> To identify federal funding opportunities related to sustainable development. 29 To provide technical assistance to eligible State agencies, local governments, (4) 30 nonprofits or regional collaborations and partnerships in applying for federal 31 and other funding opportunities. This technical assistance shall include the 32 development of scenario planning tools, progress measurement metrics, and 33 public participation strategies for use by all applicants. 34 (5) To recommend policies for the support, promotion, and encouragement of 35 sustainable communities to the Secretaries of the Departments of Commerce, 36 Environment and Natural Resources, and Transportation, the General 37 Assembly, and the Governor. 38 To recommend annually to the Governor appropriations for sustainable <u>(6)</u> 39 development programs. 40 To develop a common local government sustainable practices scoring <u>(7)</u> system incorporating the principles set forth in G.S. 143B-472.130(b). 41 42 To pursue opportunities to combine the efforts of State agencies related to (8) development and infrastructure; to study how existing regional and interlocal 43 44 organizations could improve their organization and reduce unnecessary overlap and duplication of services; and to better integrate State efforts and 45 investments with regional and local efforts. The Task Force shall include in 46 47 its recommendations under subdivisions (5) and (6) of this section any 48 recommendations for legislation necessary to implement any potential 49 improvements identified under this subdivision.

"§ 143B-472.132. North Carolina Sustainable Communities Task Force – membership; staffing; sunset.

50

51

- (a) Membership and Advice. The Task Force shall consist of 11 members who reflect the diversity of the State. The Secretaries of Commerce, Environment and Natural Resources, and Transportation and the Director of the North Carolina Housing Finance Agency shall each designate a representative to the Task Force from their agencies. The Secretary of Administration shall designate a representative from that Department who is familiar with the management and development of State-owned lands and buildings. The Secretary of Health and Human Services shall designate a representative from the Division of Public Health of the Department of Health and Human Services who is familiar with the impact of the built environment on human health. The Governor shall appoint the remaining five members under a specified subdivision of this subsection as follows:
 - (1) One member who is a representative of a nonprofit organization involved in the planning, advocacy, or creation of sustainable development.
 - (2) One member who is a representative of a county government.
 - (3) One member who is a representative of city government.
 - (4) One member who is a representative of a Council of Government or other regional collaborative organization.
 - (5) One member with professional training in planning who is a representative of the North Carolina Chapter of the American Planning Association.

The Secretaries of Administration, Commerce, Environment and Natural Resources, Health and Human Services and Transportation, or their designees, shall advise the Task Force on sustainable development activities within the responsibility of their respective departments and shall cooperate with the Task Force in jointly seeking funds from federal, public, or private initiatives, grant programs, or donors.

- (b) Terms, Vacancies. The members of the Task Force appointed by the Governor shall have a term of office of four years and shall serve until their successors are appointed and qualified. An appointment to fill a vacancy shall be for the unexpired balance of the term. The remaining members of the Task Force shall serve at the pleasure of the appointing authority.
- (c) <u>Staff. The Departments of Administration, Commerce, Environment and Natural Resources, Health and Human Services and Transportation shall provide clerical and professional staff support to the Task Force.</u>
- (d) <u>Compensation. The public members of the Task Force shall receive per diem and necessary travel and subsistence expenses payable to members of State boards and agencies as set forth by G.S. 138-5 and G.S. 138-6, respectively.</u>
 - (e) Sunset. This Part expires June 30, 2021.

"§ 143B-472.133. North Carolina Sustainable Communities Task Force – reports.

- (a) <u>Beginning in 2011, the Task Force shall report to the Governor, the House and Senate Commerce Committees, and the Joint Legislative Commission on Governmental Operations no later than October 1 each year. The report shall include the following elements:</u>
 - (1) Policy recommendations and suggested legislation.
 - (2) Funding applied for and received in the prior fiscal year.
 - (3) Population, employment, building permit, and related socioeconomic data for each metro region of the State, including 25-year projections of population and employment and any other demographic trends the Task Force finds relevant, with commentary on any changing trends in the data that might affect planning for sustainable development and infrastructure. Where possible, the Task Force shall use data already collected by the State Demographer, the United States Census Bureau, and any other state or federal agency.
 - (4) An inventory of State policies and programs that influence positively or negatively the ability to develop sustainable communities.

An overview of all State funding initiatives (including State-allocated 1 (5) 2 federal funding initiatives) used to support housing, infrastructure, water 3 quality, and land preservation, including, at a minimum, the following: 4 The Clean Water Management Trust Fund. 5 The Parks and Recreation Trust Fund. <u>b.</u> The Agriculture Development and Farmland Preservation Trust 6 <u>c.</u> 7 Fund. 8 The Natural Heritage Trust Fund. <u>d.</u> 9 The Highway Fund and the Highway Trust Fund. <u>e.</u> The Congestion Relief and Intermodal Transportation 21st Century 10 <u>f.</u> 11 Fund. 12 The Ecosystem Enhancement Program. g. 13 The North Carolina Main Street Program and the Main Street h. 14 Solutions Fund. The Housing Trust Fund and the low-income housing tax credit 15 <u>i.</u> funds administered by the Housing Finance Agency. 16 17 Funds from the Public School Building Capital Fund used by <u>j.</u> counties for the purchase of land for public school buildings. 18 The tax credits for renewable energy property, historic rehabilitation, 19 <u>k.</u> 20 and mill rehabilitation set forth in Chapter 105 of the General 21 Statutes. 22 The overview should include the current funding level, changes in funding 23 over the previous fiscal year, and how the funding initiative has contributed 24 to sustainable development, or, in the case of a tax credit, the number and 25 geographical distribution of taxpayers taking the credit, the amount of 26 credits claimed, and how the credit has contributed to sustainable 27 development. 28 For purposes of this section "metro region of the State" includes the following (b) 29 Statistical Areas defined by the United States Census Bureau: 30 The Research Triangle region (made up of the Durham-Chapel Hill and the <u>(1)</u> 31 Raleigh-Cary Metropolitan Statistical Areas). 32 The North Carolina portion of the Charlotte-Gastonia-Concord Metropolitan (2) 33 Statistical Area. 34 **(3)** The Greensboro-Winston-Salem-High Point Combined Statistical Area. 35 The Asheville Metropolitan Statistical Area. <u>(4)</u> 36 (5) The Hickory-Lenoir-Morganton Metropolitan Statistical Area. 37 The Favetteville Metropolitan Statistical Area. (6) 38 The Wilmington Metropolitan Statistical Area. <u>(7)</u> 39 (8) The Greenville Metropolitan Statistical Area. 40 The Jacksonville Metropolitan Statistical Area. <u>(9)</u> The Rocky Mount Metropolitan Statistical Area. 41 (10)42 (11)The Goldsboro Metropolitan Statistical Area. Any other Metropolitan Statistical Area that includes counties of the State 43 (12)44 and that has a population of 100,000 or more within the State."

SECTION 2.(a) Supplemental Funding for Regional Sustainable Development Partnerships. - The Departments of Commerce, Transportation, and Environment and Natural Resources shall ensure that any programs they administer providing pass-through funding or grants for regional bodies, counties, or municipalities will, to the extent possible under rules or guidelines imposed by the source of the funding, provide supplemental funds to regional bodies and to cities and counties within regions that comply with the following requirements:

45

46 47

48

49

50

- The regional body, city, or county is a part of a regional sustainable (1) development partnership covering any of the metro regions identified in G.S. 143B-472.133(b), as enacted by Section 1 of this act. This partnership must include any Metropolitan Planning Organizations, Regional Planning Organizations, and regional transit agencies in existence in the region, along with representatives of the Departments of Commerce, Transportation, and Environment and Natural Resources.
 - (2) The partnership has submitted a workplan to the North Carolina Sustainable Communities Task Force showing the activities to be funded and the public information process through which activities are selected and prioritized.
 - (3) All members of the partnership have adopted a jointly developed memorandum of agreement describing how coordinated planning activities will be undertaken.
 - (4) The partnership provides matching funds for the supplemental funds provided by the Departments of Commerce, Transportation, and Environment and Natural Resources.

In awarding any supplemental funding, the Departments of Commerce, Transportation, and Environment and Natural Resources shall utilize the common local government sustainable practices scoring system set forth in G.S. 143B-472.131, as enacted by Section 1 of this act.

SECTION 2.(b) Reports. – The Departments of Commerce, Transportation, and Environment and Natural Resources shall report their progress in implementing this section to the House and Senate Commerce Committees and the Joint Legislative Commission on Governmental Operations.

SECTION 3.(a) There is appropriated from the General Fund to the North Carolina Sustainable Communities Task Force, as created by Section 1 of this act, the sum of one hundred thousand dollars (\$100,000) for the 2010-2011 fiscal year to be used to support the operation of the North Carolina Sustainable Communities Task Force.

SECTION 3.(b) There is appropriated from the General Fund to the North Carolina Sustainable Communities Task Force, as created by Section 1 of this act, the sum of one hundred twenty-five thousand dollars (\$125,000) for the 2010-2011 fiscal year to provide up to fifty percent (50%) of any required local matching funds for recipients of Federal Sustainable Communities Planning Grants and any other federal grants related to sustainable development and requiring local matching funds.

SECTION 3.(c) There is appropriated from the General Fund to the Department of Commerce State Aid the sum of four hundred twenty-five thousand dollars (\$425,000) in recurring funds to support the operations of regional Councils of Governments. The Division of Community Assistance shall give priority in funding to Councils of Governments that demonstrate involvement in the activities of the regional partnerships set forth in Section 2(a) of this act.

SECTION 4. G.S. 120-123 is amended by adding a new subdivision to read:

- "(79) The North Carolina Sustainable Communities Task Force, as established in Article 9 of Chapter 143B of the General Statutes."
- **SECTION 5.** This act becomes effective July 1, 2010, and expires June 30, 2021.

APPENDIX A AUTHORIZING LEGISLATION

PART XXXVI OF S.L. 2008-181

SECTION 36.1. There is created the Legislative Study Commission on Urban Growth and Infrastructure Issues. The purpose of the Commission is to determine what measures the General Assembly may take to foster regional water resource and transportation planning, incentive-based local land use planning, and more responsive and cost-effective planning to accommodate rapid population growth in North Carolina's urban areas.

SECTION 36.2. The Commission shall consist of 14 members as follows:

- (1) Five members appointed by the Speaker of the House of Representatives.
- (2) Five members appointed by the President Pro Tempore of the Senate.
- (3) Four members representing North Carolina's urban areas appointed jointly by the Speaker of the House of Representatives and the President Pro Tempore of the Senate, including at least one member from Wake, Durham, or Orange County, one member from Forsyth or Guilford County, and one member from Mecklenburg County.

SECTION 36.3. The Speaker of the House of Representatives shall designate one Representative as cochair, and the President Pro Tempore of the Senate shall designate one Senator as cochair. Vacancies on the Commission shall be filled by the same appointing authority that made the initial appointment.

SECTION 36.4. The Commission shall study the following issues relating to urban growth and infrastructure:

- (1) Options for fostering regional planning for water and transportation infrastructure.
- (2) Strategies (including additional local land use regulatory tools) for encouraging the use of incentive-based planning by urban area local governments.
- (3) Strategies to help urban communities maximize the benefits of growth and cope with the challenges presented by rapid growth in population, school enrollment, vehicle miles traveled on urban roads and highways, and related demands for other public services while preserving a viable economic climate and building greater regional cooperation.
- (4) Any other matters the Commission considers necessary in furtherance of the purpose for which it is established.

SECTION 36.5. The Commission, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The Commission may meet at any time upon the joint call of the cochairs. The Commission may meet in the Legislative Building or the Legislative Office Building.

With approval of the Legislative Services Commission, the Legislative Services Officer shall assign professional staff to assist the Commission in its work. The House of Representatives' and the Senate's Directors of Legislative Assistants shall assign clerical staff to

the Commission, and the expenses relating to the clerical employees shall be borne by the Commission. The Commission may contract for professional, clerical, or consultant services as provided by G.S. 120-32.02. If the Commission hires a consultant, the consultant shall not be a State employee or a person currently under contract with the State to provide services.

All State departments and agencies and local governments and their subdivisions shall furnish the Commission with any information in their possession or available to them.

The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Commission in its work. The House of Representatives' and the Senate's Directors of Legislative Assistants shall assign clerical staff to the Commission, and the expenses relating to the clerical employees shall be borne by the Commission.

SECTION 36.6. The Commission shall report the results of its study and its recommendations to the 2009 General Assembly upon its convening.

APPENDIX B **COMMISSION MEMBERSHIP**

Member

Member

Member

Member

Public Member

Public Member

Pro Tem's Appointments

Sen. Flovd B. McKissick Jr. Co-Chair North Carolina Senate 300 N. Salisbury Street, Room 621

Raleigh, NC 27603-5925

(919) 733-4599

Sen. Robert C. Atwater North Carolina Senate

300 N. Salisbury Street, Room 312A

Raleigh, NC 27603-5925

(919) 715-3036

Sen. Daniel Gray Clodfelter

North Carolina Senate 300 N. Salisbury Street, Room 408

Raleigh, NC 27603-5925

(919) 715-8331

Sen. Katie G. Dorsett North Carolina Senate

16 W. Jones Street, Room 2106

Raleigh, NC 27601-2808

(919) 715-3042

Sen. Richard Yates Stevens

North Carolina Senate

300 N. Salisbury Street, Room 406

Raleigh, NC 27603-5925

(919) 733-5653

Mr. John Hodges-Copple

Triangle J COG PO Box 12276

RTP, NC 27709

Mr. Paul Norby City-County Planning Board 100 East First Street

Winston-Salem, NC 27101

Speaker's Appointments

Rep. Jennifer Weiss Co-Chair

North Carolina House of Representatives 300 N. Salisbury Street, Room 532

Raleigh, NC 27603-5925

(919) 715-3010

Rep. Kelly M. Alexander Jr.

North Carolina House of Representatives

Member

Member

Public Member

300 N. Salisbury Street, Room 632

Raleigh, NC 27603-5925

(919) 733-5778

Rep. Daniel Francis McComas Member

North Carolina House of Representatives 300 N. Salisbury Street, Room 506

Raleigh, NC 27603-5925

(919) 733-5786

Rep. William C. McGee

Member North Carolina House of Representatives

300 N. Salisbury Street, Room 531

Raleigh, NC 27603-5925

(919) 733-5747

Rep. Raymond C. Rapp

North Carolina House of Representatives

16 W. Jones Street, Room 2213

Raleigh, NC 27601-1096

(919) 733-5732

Mr. Danny C. Pleasant

Charlotte Dept of Transportation

600 East Fourth Street

Charlotte, NC 28202

Public Member Rep. Deborah K. Ross

North Carolina House of Representatives

16 W. Jones Street, Room 2223

Raleigh, NC 27601-1096

(919) 733-5773

Commission Staff

Giles Perry, Research Division
Jennifer Mundt, Research Division
Steve Rose, Research Division
Mariah Matheson, Research Division
545 Legislative Office Building
300 North Salisbury Street
Raleigh, NC 27603
(919) 733-2578

Jeff Cherry, Bill Drafting Division Phyllis Pickett, Bill Drafting Division 401 Legislative Office Building 300 North Salisbury Street Raleigh, NC 27603 (919) 733-6660

Amna Cameron, Fiscal Research Division
Kristin Walker, Fiscal Research Division
Mark Bondo, Fiscal Research Division
Suites 203 and 619 Legislative Office Building
300 North Salisbury Street
Raleigh, NC 27603
(919) 733-4910

Commission Clerks

Susan Doty, Office of Rep. Jennifer Weiss North Carolina House of Representatives 300 N. Salisbury Street, Room 532 Raleigh, NC 27603-5925 (919) 715-3010

Rosita Littlejohn, Office of Senator Floyd McKissick North Carolina Senate 300 N. Salisbury Street, Room 621 Raleigh, NC 27603-5925 (919) 733-4599

APPENDIX C **COMMISSION MEETING AGENDAS**

January 26, 2009 – 2:00 P.M.

Legislative Office Building, Room 414 300 North Salisbury Street Raleigh, North Carolina Agenda

1. Chairs' Remarks

Senator Floyd McKissick Representative Jennifer Weiss

2. Committee Charge

Mr. Steve Rose, Research Division, **NCGA**

3. Urban Growth Challenges

Mr. John Hodges-Copple, Regional Planning Director Triangle J Council of Governments

4. Water Challenges and Issues

Mr. Bill Holman, Visiting Senior Fellow Nicholas Institute for Environmental Policy Issues Duke University

5. Smart Growth Recommendations

Ms. Meg Ryan O'Donnell, President Winning Strategies

Mr. Beau Mills, Partner Fountainworks

6. 21st Century Transportation Recommendations

Ms. Lisa Hollowell, Fiscal Research Division

NCGA

- 7. Committee Discussion
- 8. Adjourn

November 5, 2009 – 9:00 AM

Legislative Office Building, Room 544 300 North Salisbury Street Raleigh, North Carolina Agenda

1. Chair's Remarks

Sen. Floyd McKissick, Co-Chair, Presiding Rep. Jennifer Weiss, Co-Chair

- Summary of the January 26, 2009 Commission meeting Jennifer Mundt: Commission Analyst, Research Division, NCGA
- Presentation of previous planning initiatives and general planning overview
 Dr. David R. Godschalk: Stephen Baxter Professor Emeritus,
 Department of City and Regional Planning, University of North Carolina at Chapel Hill
- 4. Presentation of current and projected demographic trends in North Carolina Robert Coats: Governor's Census Liaison and Coordinator State Data Center, Office of State Budget and Management

Jennifer Song: State Demographer State Data Center, Office of State Budget and Management

5. Presentation and description of existing regional entities and programs

Overview

Kristin Walker: Commission Analyst, Fiscal Research Division, NCGA

Joseph D. Crocker: Assistant Secretary for Community Development North Carolina Department of Commerce

Pat Harris: Director,

Division of Soil and Water Conservation, North Carolina Department of Environment and Natural Resources (DENR)

Dianne Reid: Basinwide Planning Program Supervisor Division of Water Quality, DENR

Mike Bruff: Transportation Planning Branch Manager North Carolina Department of Transportation

- 6. Commission Discussion and Announcements
- 7. Adjournment

December 2, 2009 – 1:00 PM

Legislative Office Building, Room 544 300 North Salisbury Street Raleigh, North Carolina Agenda

1. Chair's Remarks

Rep. Jennifer Weiss, Co-Chair, Presiding Sen. Floyd McKissick, Co-Chair

- 2. Best Practices in State Growth Management: Lessons from Oregon and Maryland Gerrit Knaap: Executive Director National Center for Smart Growth Research & Education
- 3. Commission Discussion and Announcements
- 4. Adjournment

January 21, 2010 – 1:00 PM

Legislative Office Building, Room 643 300 North Salisbury Street Raleigh, North Carolina Agenda

1. Chair's Remarks

Rep. Jennifer Weiss, Co-Chair, Presiding Sen. Floyd McKissick, Co-Chair

2. Comments

Dee Freeman: Secretary of the Department of Environment and Natural Resources

3. Presentation of current federal initiatives on sustainable growth including the Livable Communities Act of 2009 (<u>S. 1619</u>) and the HUD-DOT-EPA Interagency Partnership for Sustainable Communities.

Shelley Poticha: Senior Advisor for Sustainable Housing United States Department of Housing and Urban Development

- Presentation on the North Carolina Sustainable Communities Partnership Jim Westmoreland: Deputy Secretary for Transit North Carolina Department of Transportation
- 5. Commission Discussion and Announcements
- 6. Adjournment

February 25, 2010 – 2:00 PM

Legislative Office Building, Room 415 300 North Salisbury Street Raleigh, North Carolina Agenda

1. Chair's Remarks

Sen. Floyd McKissick, Co-Chair, Presiding Rep. Jennifer Weiss, Co-Chair

2. Discussion of existing laws and authorities that either promote or preclude intergovernmental cooperation

Jim Blackburn: Legislative Counsel

North Carolina Association of County Commissioners

Karl Knapp: Director of Research and Policy Analysis North Carolina League of Municipalities

3. Discussion of voluntary conservation planning partnerships

Tandy Jones: Director of Special Projects Triangle Land Conservancy

4. Presentation on how local governments can best cope with the potential impact of growth on land use planning, schools, and the environment, the Chatham County perspective

George Lucier: Vice-Chair

Chatham County Board of Commissioners

- 5. Commission Discussion and Announcements
- 6. Adjournment

March 23, 2010 - 2:00 PM

Legislative Office Building, Room 643 300 North Salisbury Street Raleigh, North Carolina Agenda

1. Chair's Remarks

Rep. Jennifer Weiss, Co-Chair, Presiding Sen. Floyd McKissick, Co-Chair

2. Overview of the Role of the Executive Branch in Logistics Planning Roberto Canales P.E.: Secretary's Coordinator of Strategic Initiatives North Carolina Department of Transportation

3. Urban Transportation Systems

Carolyn Flowers: CEO, Charlotte Area Transit Systems

Brent McKinney: Executive Director, Piedmont Authority for Regional Transportation

David King: General Manager, Triangle Transit

4. Collaborative Regional Effort: Strategies Regions Should Consider to Accommodate Economic Success and Growth.

Smedes York: Chair, Triangle Tomorrow and Reality Check Action Committee

- 5. Commission Discussion and Announcements
- 6. Adjournment

April 20, 2010 – 3:30 PM

Legislative Office Building, Room 544 300 North Salisbury Street Raleigh, North Carolina Agenda

- 1. Call to order and introductory remarks
 Representative Jennifer Weiss,
 Senator Floyd B. McKissick, Jr., Presiding
- Financing Housing in Urban Communities
 Bob Kucab, Executive Director
 North Carolina Housing Finance Agency
- 3. Affordable Housing and Sustainable Communities Initiative Tom Barrie, AIA, Professor of Architecture School of Design, North Carolina State University
- 4. Affordable Housing/Urban Revitalization Nancy Murray, Chief Executive Officer Builders of Hope
- Local Growth & Development
 Karen Rindge, Executive Director
 Wake UP Wake County
- 6. Discussion of "NC Communities Task Force" Bill Jeff Cherry, Staff Attorney Legislative Drafting Division
- 7. Committee discussion and announcements
- 8. Adjourn