



---

## District Department of Transportation

Transportation Policy & Planning Administration

### MEMORANDUM

**TO:** Ron Kirby & Paul Desjardin

**FROM:** Rick Rybeck

**DATE:** March 17, 2008

**SUBJECT:** Regional Mobility & Accessibility Study & Greater Washington 2050:  
Model Component for Scenario Analysis and Policy Option for Tool Kit

---

Recent discussions about the development of new scenarios for the Regional Mobility and Accessibility Study (RMAS) and the concurrent Greater Washington 2050 exercise prompt me to suggest that a particular property tax reform be included as one important component of new modeling efforts.

When RMAS was begun several years ago, there was some debate about whether - and to what degree - land use decisions had an impact of traffic congestion and mode choice. The results of the scenario analysis to date have answered this question. When relatively small land use changes were proposed (small in relation to the amount of existing and planned development that cannot be altered in the short term), changes in VMT and trip generation occurred that were of a comparable magnitude.

With that question answered, new questions arise. How can the region influence land use decisions? In particular, how can households with modest incomes be located close to transit services? And how can this be accomplished within the fiscal constraints faced by the regional jurisdictions?

Indeed, Task Force members have commented upon the observed phenomenon that the creation of good transit service often leads to higher land prices that drive lower-income households to more remote, auto-dependent locations.

At its last meeting, the Regional Mobility & Accessibility Task Force agreed that TPB should pursue two additional scenarios for the coming year. First, it should pursue a scenario that seeks to accomplish the goals of reduced trips and reduced VMT, but do so within a framework that respects the fiscal constraints under which the CLRP and TIP are developed. This is not to say that no new expenditures or revenue sources can be proposed - but that they must appear to be achievable. Thus, this first scenario is designed to identify policy choices that are attainable and that can move the region away from its current sprawling tendencies toward a more compact and transit-friendly alternative.

The second scenario takes a very different approach. It suggests that we mandate that the model attain a pre-determined goal (greenhouse gas reduction, VMT reduction, etc.) and then determine what policy, spending and behavioral changes would be required for such an achievement. The notion here is that the second scenario might indicate the level of effort (heretofore largely unappreciated) necessary to make meaningful progress regarding these goals.

Attached is an article that describes a property tax technique that has been successful (both in theory and in practice) in promoting affordable infill and compact development. Econometric models, referenced in the article, show that this technique promotes more compact development. Empirical data from communities where this technique has been tried are consistent with the theory. Of prime importance, this technique can be implemented in a "revenue neutral" manner that does not result in additional expenditures or lost revenues for participating jurisdictions. And, the ensuing compact development pattern should reduce the amount of infrastructure expansion required for this same amount of growth under a "business as usual" approach, thereby resulting in a positive fiscal outcome as well.

Given the difficulties associated with the development of both scenarios mentioned above - and given the importance of promoting affordable housing near transit in the Region's 2050 exercise, the property tax technique described in the attached article should be incorporated into the modeling exercise and it should be listed as a "best practice" in any policy tool kit developed to help the region achieve its smart growth, affordable housing & environmental sustainability goals. Tom Murphy, a former Mayor of Pittsburgh, is familiar with this policy approach - used in Pittsburgh since 1913 but discontinued early this century as a result of a faulty reassessment exercise. Mayor Murphy, now a senior fellow at the Urban Land Institute, has indicated a willingness to discuss this issue. Other experts on this technique, such as David Brunori (editor of State Tax Notes) can also be found in the region.

If you have any questions or concerns, please feel free to contact me at [rick.rybeck@dc.gov](mailto:rick.rybeck@dc.gov) or by phone at (202) 671-2325.