



**ANNE ARUNDEL COUNTY  
OFFICE OF THE COUNTY AUDITOR**

To: Members of the County Council

From: Susan L. Smith, County Auditor

Date: September 16, 2020

Subject: Legislation to be heard or eligible for vote on September 21, 2020: Bill Nos. 55-20, 56-20, 57-20, 61-20, 62-20, 63-20, and 65-20; and Resolution Nos. 33-20 and 34-20.

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**Bill No. 55-20: Pension – Deferred Retirement Option Program (DROP) – Term of Participation Period – Limitations on Interest (As Amended)**

This bill was commented on in our letter dated September 3, 2020. At the September 8, 2020 Council meeting, this bill was amended to remove the exception for Battalion Chiefs in Anne Arundel County Code § 5-1-508(c)(2) to establish the interest rate for their DROP accounts in the sixth year as recommended in our letter. We have no further comments on this bill.

**Bill No. 56-20: Purchasing – Acquisition of Real Property by Gift (As Amended)**

This bill was commented on in our letter dated September 3, 2020. At the September 8, 2020 Council meeting, this bill was amended to remove the square feet reference and correct the plat book page number as discussed and recommended in our letter. We have no further comments on this bill.

**Bill No. 57-20: Licensing and Zoning – Manufactured Mobile Homes Located Outside a Mobile Home Park**

This bill will allow a manufactured home located outside of a mobile home park as a permitted use in Rural Agricultural (RA) Residential Districts and will require an annual license fee of \$100 for these homes. This bill was commented on in our letter dated September 3, 2020. This bill was held over for further review. We have no further comments on this bill.

**Bill No. 61-20: Public Works – Utilities**

This bill makes changes related to the connections, billings, and billing waivers related to the County's public water service. This bill was commented on in our letter dated September 3, 2020. This bill was held over for further review. We have no further comments on this bill.

**Bill No. 62-20: Public Safety – Off-the-Road Motorcycles**

This bill prohibits a person from operating an off-the-road motorcycle within 300 feet of a dwelling without written permission from a resident of the dwelling and establishes fines for

violations. Specifically, a fine is set at \$75 for the first three violations and subsequent violations will be a misdemeanor and, upon conviction, are subject to a fine not to exceed \$250.

The Police Department does not specifically track issues surrounding off-the-road motorcycles. The Police Department currently has the ability to charge an individual using an off-the-road vehicle with trespassing if the person was trespassing on another person's property, but this is a rare occurrence. The Police Department does not expect a large increase in calls for off-the-road motorcycle violations due to this legislation. Therefore, increased County revenue as a result of this bill will be minimal.

**Bill No. 63-20: Public Safety – Electronic Smoking Devices in Restaurants – Prohibition**

This bill prohibits a person from using an electronic smoking device in a restaurant and establishes that violation of this prohibition is a Class E civil offense. Anne Arundel County Code § 9-2-101 states that a Class E civil offense carries a \$50 fine for the first violation, \$100 for the second violation, and \$500 for the third or any subsequent violations.

The Anne Arundel County Department of Health (Health Department) would be responsible for public outreach, and the Police Department would be responsible for enforcing the provisions of this bill. According to the Health Department, public outreach would be done in-house using their website and will not require any additional funds. According to the Police Department, it expects restaurants to enforce this law, and the Police Department will get involved when restaurants are unable to get voluntary compliance from the customer. The Police Department expects minimal violations, and they would absorb enforcement duties with existing staff. Therefore, increased County revenue as a result of this bill will be minimal.

**Bill No. 65-20: Zoning – Mixed Use Districts – Workforce Housing**

This bill amends the zoning requirements in mixed-use districts to allow for additional workforce housing in lieu of the required office category of use, and reduces the minimum required percentage of floor area of the development for the office category of use in Mixed-Use Residential Districts (MXD-R). Currently, workforce housing is listed in the "Other" category and is a conditional use in all mixed-use districts. Mixed-use districts require a certain minimum and maximum percentage of the floor area of the development to be specific categories of use (e.g., residential, office, etc.) which vary depending on the type of mixed-use district. Once the minimum required category of uses are met in all categories, and the required open area and public space requirements are met, the developer has flexibility in the remaining area in regards to category of use as long as they do not exceed the maximum percentages in any one category of use. Currently, the mixed-use districts require a minimum of 10% of the floor area of the development and a maximum ranging from 25% to 60% of the floor area of the development to be in the office category of use.

This bill reduces the minimum requirement for the office category of use to 0% for MXD-R, allowing the previous 10% minimum to be in other categories of use. This bill also allows the developer to submit or amend a plan to construct workforce housing instead of an office use at any time during or after approvals by the Office of Planning and Zoning. The bill also clarifies in Anne Arundel County Code § 18-8-303 that the maximum residential densities, maximum floor area ratios, and building heights for mixed-use districts listed in this section do not apply to workforce housing. Anne Arundel County Code § 18-10-162 provides the conditional use requirements for workforce housing, including the maximum density for workforce housing is 22 dwelling units per acre, and setback and height requirements are governed by bulk regulations for R22 zoning districts.

Please note that the existing Anne Arundel County Code § 17-5-207(d) provides an exemption from the adequate public school facilities test for certain developments that meet additional requirements resulting in a loss of mitigation provided for these developments.

According to the Office of Planning and Zoning, there are currently three developments in the MXD-R that could be impacted by this legislation, but to date, none of these developments have submitted applications for workforce housing. Further, the Office of Planning and Zoning indicated that they do not expect a large increase in workforce housing materializing from this bill and they will absorb any additional projects with existing staff.

Allowing residential and workforce housing in areas that were previously required to be in the office category of use will result in an increase in additional students unless they are targeted to older adults. The annual cost of one student is estimated by AACPS to be \$15,200, with the County paid portion of \$8,665. The cost for any additional students will be offset by impact fees, adequate public facility requirements (except those where the development meets the requirements for an exemption), and other fees. The percentage of the costs that will be offset is not readily determinable. The County currently has a shortage in workforce housing, so additional workforce housing will also reduce costs the County incurs related to those County residents that cannot currently maintain housing that are able to utilize any additional workforce housing resulting from this bill.

The fiscal impact to the County, both positive and negative, is not readily determinable as it will depend on the extent that the office category in the MXD-R is replaced by other categories of use, the extent workforce housing replaces the office category of use in all mixed-use districts, the extent additional dwelling units are targeted to older adults, and the extent that any additional housing allowed in mixed-use districts meet the additional requirements for an exemption from the adequate public school facilities test.

**Resolution No. 33-20: Acting Chief of Police**

This resolution approves the continued service of William Lowry as Acting Chief of Police through January 21, 2021. It has no fiscal impact to the County.

**Resolution No. 34-20: Community Development Block Grant Funds**

This bill authorizes the submittal of an application to the Maryland Department of Housing and Community Development for Community Development Block Grant funds provided under the CARES Act to prevent, prepare for, and respond to the coronavirus (CDBG-CV) in the amount of \$1.2 million. These funds will be used to fund the cost for case managers providing counseling and processing assistance to clients (\$200,000), and for direct rental payments to the landlords (\$1,000,000) under the County's Eviction Prevention program. Funds under this grant must be spent by December 31, 2021. This bill only authorizes the application and does not provide an appropriation to spend any grant funds received as a result of this application. The Administration intends to bring a separate ordinance before the Council to approve any appropriation related to this grant.

This application is for the State of Maryland's share of the second round of the distribution of CDBG-CV funds. The State of Maryland has chosen to only use these funds to meet the national objective which provides benefits to low and moderate-income persons through housing activities. The State of Maryland has further restricted the eligible activity to the use of funds under public services for emergency rental assistance. The State of Maryland requires that households demonstrate

that they have an unmet need, beneficiaries have lost their jobs or had a reduction in work hours, the total household income is less than 80% of the area median income, and that the funds will prevent households from being evicted and becoming homeless.

Arundel Community Development Services, Inc. (ACDS) is the lead administrator of the County's Eviction Prevention program and will be responsible for filing the grant application on behalf of the County. In addition to ACDS, the Community Action Agency, the Lighthouse, and the Partnership for Children, Youth and Families also assist in administering the funds in this program. The verification of the eligibility of the client includes obtaining tax returns and bank statements to determine other assets available to pay rent and to determine income both before and after the coronavirus pandemic (COVID-19), support from employers confirming that the change in income is due to COVID-19, and support from the landlord that they are in arrears. This program includes an intensive case manager looking at long term goals to keep the client in their home, including potential re-hiring, and rent reductions.

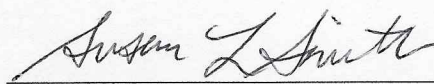
The State grant requires the recipient to comply with several federal and state requirements of CDBG recipients, including the expenditure requirement that states that grantees must request a minimum of 50% of the grant funds within 240 days of the grant award, and that failure to comply with this requirement would result in a loss of grant funds. ACDS does not foresee any problems with meeting this requirement.

In addition to the application referred to in this bill, the County's Eviction Prevention program has been provided with the following funds:

- \$598,000 – CDBG-CV funds appropriated by the federal government directly to the County through the CARES Act. These funds can be spent up to two years after the award.
- \$500,000 – County funds appropriated in the Chief Administrative Officer's budget that were granted to ACDS. There is no time deadline for spending these funds.
- \$500,000 – Video Lottery Impact Funds that were granted to ACDS. There is no time deadline for spending these funds, but these funds must be spent within the specified area.
- \$3,000,000 – A portion of the CARES Act direct funding to the County that was allocated to ACDS for this program. These funds will also be used to provide legal assistance for eviction proceedings. These funds must be spent by December 31, 2020.

As of September 15, 2020, ACDS has spent approximately \$1,830,000 on this program, of which the majority was applied to the CARES Act direct funding. As of September 15, 2020, ACDS has received 1,470 calls for assistance, approximately 544 households have received assistance, 111 clients are in the system working with case managers, and 60 clients are on the waitlist.

Since this bill does not provide for any additional appropriations for grant funds, it has no fiscal impact.

  
Susan L. Smith, CPA, CFE  
County Auditor