

**ANNE ARUNDEL COUNTY, MARYLAND  
OFFICE OF THE BUDGET**

**BILL NUMBER: 78-23**

**INTRO. DATE: Oct 2, 2023**

**FISCAL NOTE**

**BILL: AN ORDINANCE CONCERNING: FINANCE, TAXATION, AND BUDGET – SUBDIVISION AND DEVELOPMENT – ZONING – ESSENTIAL WORKER HOUSING ACCESS ACT OF 2023**

**SUMMARY OF LEGISLATION**

The purpose of this legislation is to adopt a new Title 12, entitled “Moderately Priced Dwelling Units” (MPDU), and to provide regulations generally relating to fees, exemptions, applicability, requirements, finance, taxation, subdivision and development, and zoning.

**FISCAL IMPACT**

Per section 13-5-813(k)(3), this legislation provides a 50% reduction to the Capital Facility Connection Charges (CFCC) for all MPDUs. CFCCs are generally applied to every new equivalent dwelling unit. The estimated fiscal impact can be found in exhibit 1.

**Exhibit 1**

<b>Estimated Annual Properties</b>	<b>Current CFCC Rate</b>	<b>50% of CFCC Rate</b>	<b>Annual Impact</b>
221	\$20,572	\$10,286	\$2,273,206

This would be a reduction of 7.4% of the annual CFCC revenue, and a 3.4% reduction in the Debt Service Fund revenue annually, based on the last five year historical averages. In order to offset this estimated reduction, funds would need to be recovered through either raising the CFCC rate or raising the Environmental Protection Fee (paid by users as a percentage of their utility bill).

Per section 17-12-105, developers can apply to make a contribution in lieu of developing MPDUs for developments of 10-19 units only. The amount of the contribution would be 1% of the purchase price of all units. Contributions would go into the Affordable Housing Trust Fund. The Budget Office cannot predict how much revenue that would generate, as there is no way to estimate how frequently developers will choose to pay the fee in lieu.

The administrator of the program, which is expected to be Arundel Community Development Service (ACDS), will have operational costs. The current cost estimates are shown in Exhibit 2.

**Exhibit 2**

TITLE	Salary	Fringe	Salary & Fringe	% FTE for MPDU	MPDU Salary & Fringe
VP for Affordable Housing and/or Programs	\$130,000	\$51,001	\$181,001	30%	\$54,300
MPDU Rental Intake & Compliance Specialist	\$90,000	\$35,444	\$125,444	50%	\$62,722
MPDU Homeownership Intake Coordinator	\$75,000	\$29,610	\$104,610	100%	\$104,610
Construction Specialist	\$75,000	\$29,610	\$104,610	20%	\$20,922
Outreach/marketing Coordinator	\$75,000	\$29,610	\$104,610	20%	\$20,922
	ADMIN (payroll, HR, IT)				\$26,348
TOTAL MPDU ADMINISTRATOR COSTS					\$289,824

Per section 17-11-203 MPDUs will be exempt from impact fees. Impact fees for residential development are based on the square footage of the dwelling. Therefore, the fiscal impact will be dependent on the number of eligible dwellings and the square footage. An estimate of the fiscal impact can be found in Exhibit 3.

**Exhibit 3**

Impact Fees				
Estimated Annual Properties	Roads	Schools	Public Safety	Total Annual Impact
221	5,066	9,213	339	14,618
Impact Fees 1,500-1,999 Feet	\$ 1,119,586	\$ 2,036,073	\$ 74,919	\$ 3,230,578

There could also be a potential change to overall revenue from development if this legislation impacts development patterns.

  
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**Chris Trumbauer**  
**Budget Officer**

9/29/2023

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**Date**

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cc: Billie Penley, Controller