

ANNE ARUNDEL COUNTY OFFICE OF THE COUNTY AUDITOR

To: Councilmembers, Anne Arundel County Council

From: Michelle Bohlayer, County Auditor

Date: November 30, 2023

Subject: Auditor's Review of Legislation for the December 4, 2023 Council Meeting

Bill 78-23: Finance, Taxation, and Budget – Subdivision and Development – Zoning – Essential Worker Housing Access Act of 2023 (As Amended)

Summary of Legislation

This bill establishes a Moderately Priced Dwelling Unit (MPDU) program administered by a community service entity with a specified County operating agreement. This MPDU program will require development of MPDUs as part of residential development projects. The bill provides three main incentives for the development of MPDUs: (1) A 50% reduction to Capital Facility Connection Charges for water and sewer, (2) Density bonuses of 15% above the maximum permitted for sale units and 15% above the maximum permitted for rental units, and (3) An exemption from development impact fees. This bill establishes development conditions, requirements, and agreements for building MPDUs as well as MPDU development requirements for sketch, final, and site development plans. Price and occupancy control periods are established for a period of 20 years for ownership and 40 years for rental units. The bill also establishes requirements and procedures associated with the administration of the MPDU program.

We commented on this bill in our letters dated November 2, 2023 and November 16, 2023. At the November 20, 2023 Council meeting, this bill was amended to:

- require that MPDUs meet design standards established by the County or the MPDU Administrator and that the design standards include minimum MPDU size and standards to ensure MPDUs are architecturally compatible and similar in general exterior appearance to market rate units;
- require that MDPUs that are offered for sale be listed on the Realtor Multiple Listing Service;

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- require that a landlord that rents MPDUs must advertise and market the MPDUs in the same manner as the landlord advertises and markets market rate units;
- require the MPDU Administrator to report certain information to the County Executive and Council every three years;
- allow a regulated development that contains at least 10 single-family detached dwellings that are located in a RA, RLD, R1, R2, or R5 zoning district to pay a fee in lieu of providing MPDUs and reduce the fee in lieu for the MPDU program from 3% to 1%;
- allow modification of certain bulk regulations in lieu of a variance if the bulk regulations prevent the applicant from achieving the density bonus provided for in the ordinance or the maximum allowable density for the underlying zoning district;
- remove the requirement that at least one individual in an eligible household be a resident of the County or employed in the County for at least 12 months prior to filing the application to purchase or rent a MPDU; and
- require certain applications and permits filed before July 1, 2024 to be governed by the law as it existed prior to July 1, 2024.

The amendments that reduce the fee in lieu payments will change the impact of this bill; however, the fiscal impact cannot be estimated at this time because the number and scope of projects that will be developed is unknown. We have no further comments on this bill.

Bill 80-23: Anne Arundel County 10-Year Solid Waste Management Plan 2024-2033 (As Amended)

Summary of Legislation

This bill repeals the County's Solid Waste Management Plan 2013, as amended, and adopts the County's 10-Year Solid Waste Management Plan 2024-2033.

We commented on this bill in our letter dated November 16, 2023. At the November 20, 2023 Council meeting, this bill was amended to correct an erroneous reference and outdated boundary lines. This bill was also amended to make the effective date of the ordinance contingent on the approval of the Maryland Department of the Environment. We have no further comments on this bill.

Bill 81-23: Current
Expense Budget –
Supplementary
Appropriations – Grants
Special Revenue Fund –
Opioid Abatement
Special Revenue Fund
(As Amended)

Summary of Legislation

This bill provides supplementary appropriations of \$2,351,602 to the Grants Special Revenue Fund from unanticipated grant revenue and \$1,616,000 to the Opioid Abatement Special Revenue Fund from unanticipated revenues.

We commented on this bill in our letter dated November 16, 2023. At the November 20, 2023 Council meeting, this bill was amended to add \$649,636 in additional supplementary appropriations to the Grants Special Revenue Fund for the Chief Administrative Office (\$97,440), Department of Aging (\$65,160), Health Department (\$316,996), Office of the County Executive (\$83,160), and Office of Central Services (\$86,880) to account for unanticipated state grant revenues in excess of budget estimates. The Controller certified that additional funds totaling \$649,636 are available for appropriation in the Grants Special Revenue Fund. We have no further comments on this bill.

Bill 83-23: Zoning – Requirements for Parking and Conditional Uses –Housing for the Elderly of Moderate Means and Workforce Housing (As Amended)

Summary of Legislation

This bill amends conditional use requirements for Housing for the Elderly of Moderate Means (HEMM) and Workforce Housing (WFH) to expand eligible property locations and authorize more development per lot. This bill authorizes HEMM on properties that abut and have vehicular access from a collector or higher classification roads and increases maximum lot coverage for HEMM from 65% to 80% in R15, R22, and commercial zoning districts. This bill limits a requirement that WFH be located on collector or higher classification roads to only R5 and R10 zoning districts. Also, this bill increases maximum lot coverage for WFH from 65% to 80% in R15, commercial, and industrial zoning districts.

We commented on this bill in our letter dated November 16, 2023. At the November 20, 2023 Council meeting, this bill was amended to add the parking space requirements for WFH and to add reduced parking requirements for WFH. We have no further comments on this bill.

Bill 84-23: Subdivision and Development – Zoning – Boards, Commissions, and Similar Bodies – Finance, Taxation, and Budget – Public Works – Odenton Town Center – Odenton Town Center Master Plan

Summary of Legislation

This bill repeals the 2016 Odenton Town Center Master Plan, and adopts the Odenton Town Center Master Plan, dated October 2023; renames the Odenton Town Center Growth Management Area the Odenton Town Center (OTC); adds uses established since 2016 in other planning areas; eliminates some permitted uses from the OTC Core and OTC Historic zoning districts; requires developers to conduct noise mitigation studies and provide noise mitigation measures for specified developments; requires a specified number of electric vehicle charging stations; requires structured parking for certain types of residential and business development; changes signage requirements; revises certain standards and procedures related to adequate public facility tests, mitigation plans, an Incentive Program, and outdoor noise mitigation to be consistent with the Parole Town Center Master Plan; modifies provisions concerning an advisory committee; and requires the Odenton Town Center Master Plan to be kept in specified locations. The bill places various provisions currently in the 2016 Master Plan into the County Code.

Review of Fiscal Impact

We agree with the Administration's fiscal note that there is no direct fiscal impact associated with the adoption of the Odenton Town Center Master Plan, but there could be a fiscal impact from future development activity that may impact the County's property tax revenue.

Bill 85-23: Zoning – General Provisions – Uses and Structures – Temporary Uses (Emergency Ordinance)

Summary of Legislation

In response to the COVID-19 pandemic, the County authorized restaurants to operate outdoor seating as a temporary use without requiring specified approval. This temporary authority was given to certain restaurants that were in operation as of May 20, 2021 and it currently expires after January 2, 2024. This emergency bill permanently authorizes specified restaurants that were in operation as of May 20, 2021 to offer outside seating. A list of the restaurants that have been authorized was requested but not provided prior to the issuance of this letter.

Review of Fiscal Impact

This bill has no direct fiscal impact.

Bill 86-23: Subdivision and Development – Zoning – Development Requirements for Particular Types of Development -Redevelopment

Summary of Legislation

This bill establishes redevelopment requirements applicable to Critical Economic, Critical Corridor, Town Center, and Transit-Oriented Overlay Policy Areas designated in the Plan2040 General Development Plan, as well as Commercial Revitalization Areas if elected by a developer; supersedes existing development requirements, except specified Critical Area and Glen Burnie Sustainable Community Overlay Area provisions; defines redevelopment as a substantial improvement of an existing structure or new construction on a lot or on contiguous lots provided certain conditions are met; outlines redevelopment application requirements and procedures; authorizes a subdivision or site development application to proceed directly to a final plan or a site development plan; authorizes specified natural features requirements to be waived when previous disturbances exist; authorizes developers in the Glen Burnie Sustainable Community Overlay to utilize the proposed redevelopment provisions in addition to or instead of current development provisions if certain impervious area conditions exist; reduces specified redevelopment fees by 50%; and alters conditional use requirements by establishing redevelopment density requirements and eliminating commercial use requirements.

This bill authorizes the Planning and Zoning Officer to: (1) approve redevelopment application modifications to specified subdivision, development, and zoning provisions as well as to any applicable regulations, manuals, or specifications; (2) approve demolition of existing structures without a modification to plan requirements; and (3) approve alternative plans for open space, recreation and landscaping requirements under certain circumstances.

This bill also authorizes a redevelopment to pass the test for adequate public facilities if: (1) it creates 250 or fewer new daily trips or if certain roads operate with a specified acceptable level of service and (2) it satisfies existing tests for adequate school facility or the redevelopment consists of multifamily dwellings with at least 50% of the dwelling units being efficiency or one-bedroom units and none having more than two bedrooms.

Review of Fiscal Impact

This bill establishes a 50% fee reduction for certain required redevelopment plans and permits, therefore, the fiscal impact of this fee reduction is based on the number of redevelopment applications submitted and associated criteria, such as number of units, acreage, and the estimated project value. The Administration advises no active projects would be impacted by

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this bill. The Administration was not able to provide an estimate of future redevelopment projects, but noted all development fees collected by the County generated approximately \$8.0 million in fiscal year 2023 revenue and only specific projects would qualify for the redevelopment fee reduction. The Office of Planning and Zoning (OPZ) did note that a similar 50% fee reduction within the Glen Burnie Sustainable Community Overlay Area has impacted three developments and decreased County fee revenue by approximately \$51,000 since 2021.

The Administration advises this bill will have a minimal impact on school facilities because student generation rates for multifamily units are considerably lower than those for single-family or townhome units. There are density-related provisions in this bill that are new to the County and no estimates on the potential impact were able to be provided by the Administration. OPZ does not anticipate a fiscal impact on their daily operations, expenditures, or operating budget; however, this bill may reduce the number of sketch plans and preliminary plan submissions to the County.

Other pending County legislation, such as Bill 78-23, could change the potential impact of this bill. In addition, it is our understanding that further details will be provided to the Council in a presentation at the December 4, 2023 Council meeting; however, that information was not provided to be used for our review of this bill.

Resolution 48-23: Determination of Certain Improved County-Owned Property Known as a Portion of Magothy Bridge Road in Severna Park as Surplus Property

Summary of Legislation

This resolution approves the determination of 0.828 acres of County-owned property, known as a portion of Magothy Bridge Road in Severna Park as surplus property. The property includes two, five-foot public drainage and utility easements and a one-foot public utility easement. These easements are not included as part of the surplus property. According to the Maryland Department of Assessments and Taxation, the 0.828-acre area has an assessed value of \$538,200 as of July 1, 2023. The assessed value of the 0.828 acres will not be determined until it is appraised for disposal. The property is considered improved due to the presence of pavement.

Review of Fiscal Impact

We reviewed this resolution and the support provided by the Administration and agree with the information presented. This resolution approves the determination of this property as surplus and has no fiscal impact. The Administration intends to dispose of this property using the provisions in § 8-3-204(g) for private disposition. If the Council approves this determination as surplus property and § 8-3-204(g) is used for private disposition, Council approval will be required for the disposition of the property.

Resolution 52-23: Confirming a Nomination to the Board of Trustees of The Public Library Association of Annapolis and Anne Arundel County, Inc.

Summary of Legislation

This resolution confirms the nomination of Dylan Behler to serve as the Councilmanic District 6 member of the Board of Trustees of The Public Library Association of Annapolis and Anne Arundel County, Incorporated.

The Administration advises that the Board of Trustees voted to elect Dylan Behler as a Trustee at their November 16, 2023 meeting, pending nomination by the Council.

Review of Fiscal Impact

This resolution has no fiscal impact.