



## FREDERICK COUNTY COUNCIL

### Local Government Fiscal and Policy Note

#### CONTACT INFORMATION AND GENERAL INSTRUCTIONS

<b>Bill Number/Reference:</b>	18-17
<b>Bill Title:</b>	Impact Fee for Accessory Dwelling Units
<b>Local Government Agency:</b>	Frederick County Divisions of Finance and Planning and Permitting
<b>Prepared By:</b>	Erin White and Gary Hessong
<b>Title:</b>	Deputy Director of Finance and Director of Permits and Inspections
<b>Phone Number:</b>	301-600-1193, 301-600-2028
<b>E-Mail Address:</b>	<a href="mailto:ewhite@frederickcountymd.gov">ewhite@frederickcountymd.gov</a> <a href="mailto:ghessong@frederickcountymd.gov">ghessong@frederickcountymd.gov</a>
<b>Due Date:</b>	July 10, 2018
<b>Date Submitted:</b>	July 3, 2018

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<b>Date:</b> <b>Please respond to the questions below. If you prefer to provide responses or additional information in a separate file or document, send the file or document in a separate e-mail to <a href="mailto:rcherney@frederickcountymd.gov">rcherney@frederickcountymd.gov</a> with the bill number/reference in the subject line.</b>																									
1.	Describe the impact of this proposed legislation on your agency (operations, revenues, expenditures, etc). If there is no impact, <u>please explain why</u> .																								
<p>The proposed legislation would exempt Accessory Dwelling Units (ADUs) equal to or less than 800 square feet in size from payment of public school development impact fees. ADU's that are built over 800 square feet in size <b>will not</b> be exempt from paying school impact fees. This bill serves to encourage another option to support construction of affordable housing in Frederick County by revising the current ADU's regulations. It is difficult to quantify the impact this legislation would have on Frederick County revenue.</p> <p>There should be no fiscal impact to County expenditures.</p>																									
2.	Please indicate whether the proposed legislation will affect small businesses in Frederick County, and if it will, please provide any information you may have which could be useful in determining the economic impact on small businesses.																								
<p>This legislation should not have an impact on small businesses.</p> <p style="text-align: center;"><b>FISCAL IMPACT SUMMARY – SHOW (DECREASE) IN PARENTHESES</b></p> <p style="text-align: center;"><b><u>REVENUES</u></b></p>																									
3.	Analysis of <b>estimated increase (or decrease) in government revenues</b> . Please estimate below any anticipated increase (or decrease) in revenues resulting from this legislation. Please be aware of any delayed effective dates in the bill or other factors that may cause revenue increases/decreases to begin in later years.																								
<table border="1"><thead><tr><th>Source</th><th>FY 2019</th><th>FY 2020</th><th>FY 2021</th><th>FY 2022</th><th>FY 2023</th></tr></thead><tbody><tr><td>N/A</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td style="text-align: center;"><b>TOTAL \$</b></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td colspan="5"><b>Please explain how the above estimated increase(s) or decrease(s) were arrived at, including any calculations and/or assumptions made. Please also explain any variation if the revenue increase(s)/decrease(s) are not constant.</b></td></tr></tbody></table>		Source	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	N/A							<b>TOTAL \$</b>						<b>Please explain how the above estimated increase(s) or decrease(s) were arrived at, including any calculations and/or assumptions made. Please also explain any variation if the revenue increase(s)/decrease(s) are not constant.</b>				
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<p>It is difficult to quantify the impact this legislation would have on Frederick County revenue.</p> <p>The Division of Planning and Permitting (DPP) gathered data over the last 10 years for ADUs under the current regulations and has estimated the average number of units approved and built to be 2 per year. The County currently collects the "All Other Residential" public school development impact fees for all ADUs regardless of size. This fee as of 7/1/17 was \$6,291. If it is assumed, based on the past rates of approval of 2 per year, that half of the units(1 per year) in this category were less than 800 square feet in size there could be a negligible decrease in public school development impact fees revenue of approximately \$6,291 (1 ADUs under 800 square feet in size multiplied by the current \$6,291 fee).</p> <p>However, there is the potential that this negligible decrease in revenue could be offset by an increase in school development impact fee revenue from the units over 800 square feet in size required to pay the fees as the proposed legislation encourages more ASUs to be built.</p>																									

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<b><u>EXPENDITURES</u></b>					
<b>4.</b>	<p>Analysis of <b>estimated increase (or decrease) in government expenditures</b>. Please estimate below any anticipated increase (or decrease) in expenditures resulting from this legislation. Please be aware of any delayed effective dates in the bill or other factors that may cause expenditure increases/decreases to begin in later years.</p>				
	<b>A. Salaries &amp; Wages</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
	FTE Employees - _____ # of positions Fringe Benefits				
	<b>TOTAL (Salaries, wages &amp; benefits)</b>	\$	\$	\$	\$
N/A	<p>Please provide an explanation of the need for the number and type of any personnel listed above, including (1) what specific provision(s) of the bill necessitate additional staff; (2) what the duties of each type employee will be; and (3) why existing personnel cannot absorb the additional work. Please also certify the wage/salary rate and % fringe rate (if differing rates apply) for each personnel classification.</p>				
	<b>B. Other Operating Expenses</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
	Technical/Special Fees, Grants/Subsidies Communications-Phone, Postage Travel, Food, Auto, Fuel & Utilities Contractual Services Supplies Equipment-Replacement Equipment-Additional Land & Structures, Fixed Charges Other (Please Specify on Extra Page(s))				
	<b>TOTAL (Expenditures)</b>	\$	\$	\$	\$
	<p>On the next page, please provide brief descriptions/breakdowns of the above "Other Operating Expenses."</p>				
	<p>Please explain below any additional calculations or assumptions made in estimating the "Other Operating Expenses" that will help us to understand the amounts and timing of the expenses.</p>				
<p>N/A – This legislation should not have an impact on County expenditures</p>					

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#### 4. (cont'd)

#### **C. Operating Expense Descriptions/Breakdowns**

Please provide below a short description of the specific purpose of each expense listed under 4B. If any amount(s) listed under 4B represent(s) a total of multiple expenses, provide a breakdown of the fiscal 2018 amount with a short description of each expense (for example, if \$2,500 is listed for Communications – Phone, Postage, a statement such as “\$1,500 for cellphone charges for two new inspectors and \$1,000 for postage for mailings to permittees to notify them of changes to inspection requirements.”)

#### **Fiscal 2018 Expenditures**

<b>Technical/Special Fees, Grants &amp; Subsidies</b> description/breakdown	\$
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<b>Communications – Phone, Postage</b> description/breakdown	\$
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<b>Travel, Food, Auto Operations, Fuel &amp; Utilities</b> description/breakdown	\$
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<b>Contractual Services</b> description/breakdown	\$
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<b>Supplies</b> description/breakdown	\$
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<b>Equipment-Replacement</b> description/breakdown	\$
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<b>Equipment-Additional</b> description/breakdown	\$
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<b>Land &amp; Structures, Fixed Charges</b> description/breakdown	\$
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<b>Other (Please Specify)</b> description/breakdown	\$
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#### **ADDITIONAL POLICY IMPLICATIONS/CONCERNS**

Please submit BY E-MAIL to: Ragen Cherney, Legislative Director/Chief of Staff  
Frederick County Council • E-Mail: [RCherney@FrederickCountyMD.gov](mailto:RCherney@FrederickCountyMD.gov)