



## FREDERICK COUNTY COUNCIL

### Local Government Fiscal Estimate of Legislation

#### CONTACT INFORMATION AND GENERAL INSTRUCTIONS

<b>Bill Number/Reference:</b>	16-08
<b>Bill Title:</b>	Extension of the Expiration of Section 1-6A-5.1 to Allow Payment of a Fee in Lieu of Building MPDUs until June 30, 2017
<b>Local Government Agency:</b>	Frederick County Finance Division
<b>Prepared By:</b>	Lori Depies
<b>Title:</b>	Director, Finance Division
<b>Phone Number:</b>	301-600-1753
<b>E-Mail Address:</b>	<a href="mailto:ldepies@frederickcountymd.gov">ldepies@frederickcountymd.gov</a>
<b>Due Date:</b>	July 12, 2016
<b>Date Submitted:</b>	July 12, 2016

**FREDERICK COUNTY COUNCIL**  
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**Date:**

**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 [rcherney@frederickcountymd.gov](mailto:rcherney@frederickcountymd.gov) with the bill number/reference in the subject line.**

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>This bill will have a positive fiscal impact to the County by extending the expiration date of the ordinance which provided the option to applicants to pay a fee in lieu (PIL) of constructing Moderately Priced Dwelling Units (MPDU). The revenue to be collected in FY17 is due to agreements currently in place and will continue to be collected. The PIL option allows a payment of \$17,500 for every MPDU that would otherwise be built. The total amount to be paid by the developer is specified in an agreement. The Dept. of Permits and Inspections collects the payments when building applications for the non-MPDU units are submitted. Since its inception in FY12, the fees received have totaled \$3,456,684, with FY16 yet to be finalized. This fee revenue was approved in the FY17 budget and is a funding source for various County initiatives and programs such as the deferred loan program, emergency rehabilitation programs, homebuyer assistance program and the marketing and promotion of housing programs. The funds disbursed and committed to these programs since inception total \$2,353,757, with FY16 yet to be finalized.</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.

This bill would have a minor positive impact to small businesses as they play a role in several of the programs funded by this revenue source, such as the emergency rehabilitation program and Rebuilding Together.

**FISCAL IMPACT SUMMARY – SHOW (DECREASE) IN PARENTHESES**

**REVENUES**

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.
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<b><u>Source</u></b>	<b><u>FY 2017</u></b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>
Moderately Priced Dwelling Units (MPDU) Payment in Lieu (PIL)	\$1,000,000	N/A	N/A	N/A	N/A
<b>TOTAL \$</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.
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This is the revenue anticipated in the fiscal year 2017 budget due to agreements currently in place and due from developers. This revenue will continue to be collected accordingly. There are currently no new potential agreements to be signed in the near future. The extension of the MPDU-PIL ordinance will allow time for completion of the Housing Market Study and provide adequate time to analyze the results, consider best practices and recommendations for later MPDU code and regulation revisions. Potential increase/decrease in revenues will be analyzed and estimated at that time.

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<u>EXPENDITURES</u>					
4.	<b>Analysis of 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.				
	<b>A. Salaries &amp; Wages</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
	FTE Employees - _____ # of positions Fringe Benefits	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
	<b>TOTAL (Salaries, wages &amp; benefits)</b>	\$	\$	\$	\$
	<b>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.</b>  There is no anticipated increase or decrease in the FY17 expenditures related to the extension of this program. The extension of the MPDU-PIL ordinance will allow time for completion of the Housing Market Study and provide adequate time to analyze the results, consider best practices and recommendations for later MPDU code and regulation revisions. Potential increase/decrease in expenditures will be analyzed and estimated at that time.				
	<b>B. Other Operating Expenses</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</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>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
	<b>TOTAL (Expenditures)</b>	\$	\$	\$	\$
	<b>On the next page, please provide brief descriptions/breakdowns of the above “Other Operating Expenses.”</b> There is no anticipated increase or decrease in the FY17 expenditures related to the extension of this program. The extension of the MPDU-PIL ordinance will allow time for completion of the Housing Market Study and provide adequate time to analyze the results, consider best practices and recommendations for later MPDU code and regulation revisions. Potential increase/decrease in expenditures will be analyzed and estimated at that time.				
	<b>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.</b>				

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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 2016 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 2016 Expenditures**

<b>Technical/Special Fees, Grants &amp; Subsidies</b>	\$
description/breakdown	

<b>Communications – Phone, Postage</b>	\$
description/breakdown	

<b>Travel, Food, Auto Operations, Fuel &amp; Utilities</b>	\$
description/breakdown	

<b>Contractual Services</b>	\$
description/breakdown	

<b>Supplies</b>	\$
description/breakdown	

<b>Equipment-Replacement</b>	\$
description/breakdown	

<b>Equipment-Additional</b>	\$
description/breakdown	

<b>Land &amp; Structures, Fixed Charges</b>	\$
description/breakdown	

<b>Other (Please Specify)</b>	\$
description/breakdown	

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