



## FREDERICK COUNTY COUNCIL

### Local Government Fiscal Estimate of Legislation

#### CONTACT INFORMATION AND GENERAL INSTRUCTIONS

<b>Bill Number/Reference:</b>	17-10
<b>Bill Title:</b>	Continuation of the Payment in Lieu Option for Moderately Priced Dwelling Units and Adjustment to the Payment Amount
<b>Local Government Agency:</b>	Frederick County Finance Division
<b>Prepared By:</b>	Erin White
<b>Title:</b>	Deputy Director, Finance Division
<b>Phone Number:</b>	301-600-1193
<b>E-Mail Address:</b>	<a href="mailto:ewhite@frederickcountymd.gov">ewhite@frederickcountymd.gov</a>
<b>Due Date:</b>	May 2, 2017
<b>Date Submitted:</b>	

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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>						
<b>1.</b>	Describe the impact of this proposed legislation on your agency (operations, revenues, expenditures, etc). If there is no impact, <u>please explain why.</u>					
This bill will have a positive fiscal impact to the County by <b>continuing</b> 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 FY18 and beyond is due to current and future agreements. Currently 68% of the development pipeline in Frederick County (not including municipalities) are covered by Development Rights and Responsibilities Agreements (DRRAs) and freeze the current MPDU-PIL fee of \$17,500 for the length of the contract. This legislation also increase the fee on new housing developments with more than 25 dwelling units <b>that do not</b> currently have existing DRRAs or MPDU-PIL Agreements in place. The adjusted MPDU-PIL option allows a payment of \$26,500 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 \$4,632,719 with FY17 yet to be finalized. This fee revenue is included in the proposed FY18 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 \$3,246,409 with FY17 yet to be finalized.						
<b>2.</b>	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.						
<b>FISCAL IMPACT SUMMARY – SHOW (DECREASE) IN PARENTHESES</b>						
<b>REVENUES</b>						
<b>3.</b>	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.					
<b>Source</b>		<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Moderately Priced Dwelling Units (MPDU) Payment in Lieu (PIL)		<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>
<b>TOTAL \$</b>		<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</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>						
This is the anticipate MPDU-PIL revenue in the fiscal year 2018 budget and beyond due to current developer agreements, as well as expected future agreements. This revenue will continue to be collected accordingly. Currently 68% of the development pipeline in Frederick County (not including municipalities) is covered by Development Rights and Responsibilities Agreements (DRRAs) and froze the current MPDU-PIL fee of \$17,500 for the length of the contract. This legislation will only increase the fee to \$26,500 on new housing developments with more than 25 dwelling units that do not currently have existing DRRAs or MPDU-PIL Agreements in place.						

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<b><u>EXPENDITURES</u></b>						
<b>4.</b>	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.					
<b>A. Salaries &amp; Wages</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>
FTE Employees - _____ # of positions						
Fringe Benefits						
<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>				
<b>B. Other Operating Expenses</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>
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>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>
<b>TOTAL (Expenditures)</b>		<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>
		<b>On the next page, please provide brief descriptions/breakdowns of the above "Other Operating Expenses."</b>				
		This is the anticipated expenditures in the fiscal year 2018 budget and beyond 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				
		<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 2017 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 (Homebuyer Assistance Program, Cold Weather Shelter, Deferred Loan Program, Homeless Prevention Program, Emergency Rehabilitation Program and the marketing and promotion of housing programs)	\$1,500,000

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)