

Office of the County Auditor
Auditor's Analysis

Council Resolution No. 10-2023

Introduced: January 3, 2023

Auditor: Michael A. Martin

Fiscal Impact:

We cannot estimate the fiscal impact of this legislation because it will depend on the Lyhus property successfully completing the development plan review process, which has not yet occurred.

However, if this legislation is approved and the proposed development successfully completes the development plan review process, its approval could generate one-time revenues of \$744,000, annual general fund revenues of \$380,000, and annual non-general fund revenues of \$71,000.

If this legislation fails, the Department of Planning and Zoning (DPZ) stated that the developer will move forward with an alternative plan to develop 26 single family detached (SFD) units that are not age-restricted. We confirmed that this plan would currently fail the Adequate Public Facilities Ordinance (APFO) School Capacity Test. Assuming this plan were to complete the development plan review process and pass the APFO requirements, it could generate one-time revenues of \$1.39 million, annual general fund revenues of \$249,000, and annual non-general fund revenues of \$47,000. It could also result in annual pupil costs of \$163,000. Additionally, a portion of the proposed lots would need to participate in a County administered shared septic system through the Shared Septic enterprise fund. These systems are designed to collect sufficient fees to fully offset their costs.

The above estimates are based on current tax rates, student pupil costs, and exclude permitting fees associated with the development. Our estimates do not factor in possible capital costs or timing, as they are not yet known.

Per the Director of DPZ, the Homeowners Association (HOA) of this property would be responsible for operating and maintaining these water and sewer systems, which it would accomplish by hiring a third-party contractor. However, if this third-party were to default on its responsibilities, the County could become obligated to administer the water and sewer systems at its own cost. If this were to happen, the County could attempt to recover these costs from the HOA.

Purpose:

This legislation proposes to amend the County's Inventory of Existing and Proposed Multi-Use Community Well and Surface Water Supply and to amend the Summary of Existing and Planned Permit Discharges so that a proposed development has access to functioning water and sewerage systems. These amendments will allow for the construction of 29 duplexes (58 Single Family Attached (SFA) units) connected to multi-use shared systems in Fulton known as the Lyhus Property.

Other Comments:

On October 6, 2022, the Departments of Public Works (DPW) and Planning and Zoning (DPZ) presented the proposed amendments of this legislation to the Planning Board. The Planning Board voted unanimously to adopt the proposed revisions.

The DPW confirmed this project has been included in the latest County land use projections and was factored in the long-term fiscal impact analysis conducted for HoCo By Design that is currently under review by the Spending Affordability Advisory Committee.

The alternative development plan for this property would not require an amendment to the Howard County Master Plan for Water and Sewerage because:

- All 26 proposed lots have individual water wells.
- 20 of the proposed lots would have individual on-site sewage disposal systems.
- The remaining proposed lots will have access to a shared sewage disposal system, which would be allowable per the County Code because its treatment capacity does not exceed 5,000 gallons per day.