

Office of the County Auditor
Auditor’s Analysis

Council Bill No. 18-2025

Introduced: March 3, 2025

Auditor: Rebecca Gold

Fiscal Impact:

The fiscal impact of this legislation is indeterminable, as we will not know the terms of future potential Payment in Lieu of Taxes agreements (PILOTs). The impact may include the following regarding residential construction projects within a Transit-Oriented Development area (TOD):

- Revenues from developer payments of PILOTs
- Foregone developer tax revenue depending on terms of PILOTs
- A change in the collection of the school facilities surcharge, which will be at a fixed rate based on the date of submittal of plans to the Department of Planning and Zoning

For context, the Department of Finance provided the following information regarding recent foregone Property Tax Revenue due to residential PILOT agreements:

Fiscal Year	PILOT Credits Distributed to Properties	PILOT Payments to County from Properties	Foregone County Revenue
FY 2022	\$ 1,661,113.83	\$ 902,475.75	\$ 758,638.08
FY 2023	1,698,645.04	759,635.00	939,010.04
FY 2024	1,622,956.68	762,157.00	860,799.68

Purpose:

This legislation proposes the following changes to Title 13, Subtitle 4, of the County Code:

- Disability Income Housing Units will be included as a type of Moderate-Income Housing Unit.
- Residential construction projects within a TOD will be eligible to enter into a PILOT agreement if 15 percent of the project’s units are designated Disability Income Housing Units.

The following changes are proposed to Title 16, Subtitle 11, of the County Code:

- Residential construction projects within a TOD will be exempt from the requirement to pass the Adequate School Facilities test, but will need to pass the Allocations and Roads test.

The following changes are proposed to Title 20, Subtitle 1, of the County Code:

- The school facilities surcharge rate for a residential construction project within a TOD will be fixed as of the date a sketch plan is submitted to the Department of Planning and Zoning.

Other Comments:

The Department of Planning and Zoning (DPZ) defined qualified TOD projects as those within the County's TOD Zoning District. There are five TOD projects currently underway in the County, at the following stages of development:

- File Number: S-25-001 Paddock Pointe Amended Sketch Plan
 - Approved January 9, 2025
 - Next plan step: Submission due by October 9, 2025
- File Number: SDP-24-019 Corridor Road Apartments Station Overlook
 - Currently in review by County Agencies
 - Comments due by March 20, 2025
- File Number: F-25-004 Paddock Pointe – Parcels C-5 & K-2 & OS Lot D
 - Plat of Revision recorded August 30, 2024
- File Number: SDP-24-037 Paddock Pointe – Phase 3B
 - Approved September 25, 2024
- File Number: SDP-23-013 O'Donnell Properties
 - Complete on January 30, 2025, but project on hold in Schools Bin

The DPZ anticipates two more potential TOD projects in the near future:

- File Number: S-23-004 10010 Junction Drive
 - Sketch was approved - project in Schools Bin
- Paddock Pointe
 - Next phases will be coming in soon (sections 4 and 5) following the amended sketch