

CALL TO ACTION - Legislative Affairs

Council Seeks to Raise Developer Surcharge – CB 42

The topic of school construction, funding, and development has been permeating throughout Howard County for the better part of two years. The subject has impacted the Adequate Public Facilities Ordinance (APFO) which evaluates population growth to establish guidelines for school and road construction. Now it appears as though the developer surcharge might be next. The surcharge is a fee incurred by residential developers to offset impact on local education facilities. Earlier this year during the General Assembly session, the Howard County Delegation sought to introduce legislation that would raise the surcharge from the current \$1.32 SF to over \$4. At the that time, the Chamber and other industry groups raised concerns over that dollar amount. The delegation ultimately decided to allow the County Council to set the fee citing their ability to better understand the matter and the utilization of county resources and data.

On August 23, the Council filed CB 42, which if passed, would raise the fee to \$6.80 SF, an increase that would make Howard County's the highest in the state and increase the price of an average new housing unit by approximately 4% (\$28K). Proponents will cite the fact Howard County's current fee is significantly less than neighboring counties. What is not stated is that not all counties calculate their funds the same. Some, like Howard County make the assessment on the square footage bases while others on the number of units. Besides the surcharge, Howard County assesses fees for roads and Moderate-Income Housing Units (MIHU) whereas other jurisdictions have lump sum fees.

Leading the unease is the following:

- Impact on future development and housing affordability which impacts roads and talent attraction when employees are forced to live significant distances from work. Specifically, it impacts those in the middle-income housing bracket (\$300K - \$500K) as the average new home in the county is \$700K.
- Concern that this is a regressive tax in that housing costs increase disproportionately for those on the lower end of the cost spectrum,
- To date, no fiscal analysis has been released. No one knows how the council reached the \$6.80 conclusion or what develop figures the \$150M anticipated revenue figure is based upon. It would be questionable to base projections on current development trends and not take into consideration the new APFO requirements which are more stringent and lessens the developable areas, and
- Impact on multi-family housing which is more volatile than single-family housing as it is more consumer driven.

The Chamber understands the conundrum policy makers are faced in funding education facilities. However, we must remember the county didn't come to this fiscal challenge overnight. Nor did it arrive at this situation on the backs of one group. Consequently, the solutions shouldn't come on the backs of one group. A public hearing is currently scheduled for Monday, September 16th at the George Howard Building. It is important that we have people signed up to testify and to submit written testimony as well.

CB 38 - Stronger Building Restrictions Proposed for Patapsco Lower North Branch Watershed

Throughout its history, Historic Ellicott City has been prone to flooding. Floods of 2016 and 2018 have many calling for more stringent requirements to development impacting the historic district. Since 2018, a development moratorium has been in place for the historic district until further studies could be completed. Like many county residents and property owners, the Chamber agrees that the historic district and surrounding neighborhoods are jewels that should be protected.

As with most legislative matters, it's not the intent that is questioned but rather the details. What started out as protecting Historic Ellicott City from flooding has expanded to the entire watershed and now impacts Ellicott City and Elkridge. It should also be noted that County Executive Ball has also issued legislation that he believes addresses flooding in Ellicott City.

The concerns are as a follow:

- The proposed CB 38 legislation prohibits an inordinate amount commercial and residential activities thereby impacting land usage and redevelopment in Route 1, a key commercial thoroughfare,
- There are questions as to whether this legislation would create inconsistencies with previous adopted county policies and plans,
- There are concerns about key public facilities yet to be built in the Elkridge community namely that of HS 14,
- The bill has raised concerns regarding impact on utility and infrastructure expansion,
- Lessens the value of land because of the increase percentage of land now dedicated to easements, and
- Potentially impacts residential homeowners to do basic improvements because of land preservation requirements.

This hearing is also being held September 16. The Howard County Chamber encourages those directly impacted or concerned about economic and community development to [write their County Council members](#) and/or [sign up to testify](#) against these two proposed bills.