

Sayers, Margery

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Subject: APFO Fee and School Capacity Charts and Explanations
Attachments: Comparison School APFO Chart - For HoCo APFO Bill.xlsx; HoCo School Capacity Explanation - Bruce Harvey APFO Testimony.docx; APFO Fees County Peer County Comparison.xlsx

Chairman Weinstein and Members of the Howard County Council,

The MBIA has been asked to follow up on statements made regarding impact fees as they relate to fees across the State. Please find attached 3 documents that support the statement that when taken together, Howard County's impact fees are on par with and in the majority of cases, higher than other MD jurisdictions. I sent some data to Dr. Ball and Mr. Wimberly Friday but these data sets are more comprehensive and also simpler to digest, so I encourage you to use these two charts rather than what I sent last Friday.

Regarding school capacity, please note that Howard is already one of only 2 jurisdictions to have a capacity test that is effectively less than 100% of SRC (see attached testimony, Calvert and Caroline excluded as their County Rated Capacity tests are not known at this time.). Further, Howard is the only jurisdiction to employ an allocations test in addition to an APFO test. Allocations are the ultimate growth control and planning measure since actual units cannot exceed allocations and therefore, planning for new growth becomes more predictable. Below are some additional takeaways and links to State Planning documents with all of this data that may be useful for your continued research.

1. School capacity tests in each county (Source - <https://planning.maryland.gov/PDF/YourPart/773/20130325/AdequatePublicFacilitiesDraftReport032513.pdf>)
 - a. Takeaways
 - i. 10 jurisdictions have no schools test at all
 - ii. HoCo has the most complicated schools test in the state both because of allocations and also because it does not use SRC
 - iii. Only 3 counties do not use State Rated Capacity (SRC) – Howard, Calvert and Caroline use a County Rated Capacity (CRC) making apples to apples comparisons of capacity tests very challenging
 - iv. Once one understands that in Howard County 110% or 115% of County Rated Capacity is effectively already less than 100% of State Rated Capacity, it is clear Howard's capacity test is already lower than any jurisdiction other than Washington Co. (see attached Bruce Harvey testimony)
 1. Excludes Calvert and Caroline as I have not yet attempted on short notice to determine how they create their "County Rated Capacity (CRC)" number
 - b. The source data from MD Planning is very useful and worth taking a look at
2. Bruce Harvey Testimony regarding how Howard County calculates school capacity – According to Mr. Harvey's assumptions Howard's tests for capacity in Elem School is roughly 98% SRC and 91% SRC for Middle Schools)
3. Expanded list of APFO related fees for all counties – Most fee data can be found at the following link although it is from FY13, the data in the chart is updated to current numbers except Prince George's County whose data I could not find for the current fiscal year - <http://mgaleg.maryland.gov/Pubs/BudgetFiscal/2014-Impact-Fees-excise-taxes.pdf>

a. Takeaways

- i. 9 of 24 jurisdictions have no fees at all
- ii. On average, Howard County has the 2nd highest fees in the State behind Montgomery County. Prince George's County is close but still behind on average.
- iii. Because the MIHU fee is nearly double either the schools or roads fee, one cannot fairly look at fees in Howard County without considering the MIHU fee.

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See Baltimore's Waterfront Projects aboard *The Raven*. [Register here](#).

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Food & Fun at ADU's Fabulous Showroom. [Register here](#).

Maryland Housing Conference - September 20
Featuring Keynote Speaker, Scott Plank. [Register here](#).

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As a follow up to my public testimony on 9/11/17, I am submitting the following written testimony.

My name is Bruce Harvey and I reside at 7792 Elmwood Road, Fulton, MD 20759. I have been a Howard County resident since 1978 and have 6 children who have gone to Howard County Public Schools. I was a member of the APFO task force that met from June 2015 through March 2016. Our report was issued on April 1, 2016. I am testifying in favor of passage of CB61 which adopts the majority of recommendations from the task force. While the task force was contentious with many different opinions expressed, the end product represented a super majority (2/3) consensus of the group. I believe the APFO has been very effective in compromising the need for housing growth in the County with the cost of building and providing infrastructure for the new residents that come to the County. One of the most significant components of Howard County's APFO law is the use of Housing Allocations. No other County has such a mechanism. This is an excellent planning tool because the County has linked this to its General Plan. So growth by definition is limited to the total housing allocations. I strongly support the use of this allocation chart because it provides predictability, it provides a more even flow of land for development, and it allows the County to plan its infrastructure needs in an even and rational manner.

The APFO test for Open and Closed schools is a very important part of this legislation. There was much discussion in the task force about the appropriate level for defining adequate school capacity. The current limit for school capacity is set at 115% of the County rated capacity. I am in favor of keeping the Open/Closed limit at 115% of capacity because of the method used by the County to calculate capacity. The current calculation is as follows:

Capacity utilization is the comparison of a facility's program capacity and its enrollment. If the enrollment equals the capacity, then the capacity utilization is 100%. The Howard County Public School System calculates program capacity differently for elementary, middle, and high schools. Methodologies by school type are as follows:

- **Elementary School: 22 students for each Kindergarten classroom; 19 students for each classroom in Grades 1 and 2; and, 25 students for each classroom in Grades 3–5;**
- **Middle School: 95 percent of the total number of teaching stations multiplied by 20.5 students, exclusive of special education classrooms;**
- **High School: either 80 or 85 percent of the total number of teaching stations multiplied by 25 students, exclusive of special education and special use classrooms.**

The above limits represent meaningful targets for each of the different schools, but economic reality will not allow every school to achieve this. So to allow an Elementary school to be closed until class sizes reach 25 for Kindergarten, 22 for grades 1 and 2 and 28 for Grades 3-5 is tight but reasonable. For middle school, this goes to approximately 24 before the school would be closed; again tight but reasonable.

I stated in my public testimony that the State rated capacity is calculated on a different basis than the Howard County calculation. I also stated that the State rated capacity calculation allows for higher capacities for each school. I was asked by the Council to provide some details on this. My research indicates the following about State rated capacity:

For Elementary Schools:

Pre-Kindergarten classrooms	20	Not in Howard County yet
Kindergarten	22	Same as Howard County
Grades 1-2	23	Howard is 19
Grades 3-5	23	Howard is 25
Special Education (self contained)	10	Not stated for Howard County
Alternative Education (self contained)	15	Not stated for Howard County

For Elementary schools, the true calculation would need to know the number of students in grades 1-2 versus grades 3-5 since the County uses different variables for these grade while the State uses a consistent standard of 23 students. However, assuming that the number of students in these grades are the same, the Howard County calculation would yield a capacity about 2% lower than the State rated capacity.

For Middle Schools and High Schools - 85% of the product of the number of teaching stations and 25. Dedicated Special Education and Alternative Education classrooms are counted the same as for Elementary schools.

As stated above, for middle schools Howard is 95% of the product of teaching stations multiplied by 20.5, so a higher % of the teaching stations but a lower standard. Based upon simple math ($95\% \times 20.5$ versus $85\% \times 25$), the Howard County calculation would yield a capacity about 9% lower than the State rated capacity.

The Board of Education should be consulted and provide this actual detailed information to the County Council.

I again recommend that the Howard County School Board continue to calculate capacity based upon the local model and that the State model not be adopted like some of our surrounding Counties. The local model allows us to target capacity as our local leaders wish to define it which should supersede the state rated capacity calculation. I also recommend that the Closed calculation continue to be at 115% as stated above. However, I do support the task force recommendation #7 which would lower the threshold for capacity to 110%, but allow projects to receive school allocations up to 120% of capacity if they agree to pay a higher school excise tax at time of building permit. This is a rational approach that allows for additional funds to be collected toward school capital budgets to be used in constrained areas.

Thank you for hearing my testimony.

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County	Threshold Level	APFO Failure	Exceptions/Mitigation
Alleghany	No APF Schools Test		
Anne Arundel	100% of SRC; no high school test	Mitigation or Waiting List (6 years)	Non-residential developments; Developments in the Odenton and Parole Town Center Core; Age-restricted developments; Institutional
Baltimore City	No APF Schools Test		
Baltimore County	115% of SRC + School Adjacency Test	Mitigation, with conditions	Mitigation is permitted but the APFO requires any construction of new school facilities to be available to serve the new development, or the annual review of school enrollment numbers indicates a
Calvert	100% of SRC	Waiting list (7 years)	The first three lots of a parcel that is eligible to be subdividing into
Caroline	100% of SRC	Approval denied	None
Carroll	109% of SRC; 110%-119% possible with restrictions	Mitigation & conditional approvals	Non-residential projects; Minor subdivisions; "Retirement homes"
Cecil	No APF Schools Test		
Charles	100% of SRC	Approval denied	"Retirement housing complexes"
Dorchester	No APF Schools Test		
Frederick	100% of SRC	Mitigation	Minor residential subdivisions; Public safety facilities; Over-55 age
Garrett	No APF Schools Test		
Harford	110% of SRC	Mitigation & waiting list (until schools are	Some minor residential subdivisions; Over-55 age restricted developments
Howard	DOES NOT USE SRC so comparison is difficult. Open/closed chart defined by school region, approved by County Council. No more than 300 allocations if district over 100%. 110% program capacity elementary schools (roughly 98% SRC); 115% of program capacity middle school (roughly 91% SRC);	Closed Schools Bin (5 years)	Some minor residential subdivisions; Over-55 age restricted developments
Kent	No APF Schools Test		
Montgomery	120% of SRC; 105%-120% with fee option; If new school is planned	Approval denied	Some minor residential subdivisions; Over-55 age restricted developments

Prince George's	105% of SRC for planning only, not a bar to approval	No consequence, approval still available	Some minor residential subdivisions; Over-55 age restricted developments
Queen Anne's	100% of SRC	Mitigation	Some minor residential subdivisions (under 5 lots); Over-55
St. Mary's	107% of SRC for elementary; 109% for middle; 116% for high	Approval denied	Some minor residential subdivisions (under 5 lots); Over-55 age restricted developments
Somerset	No APF Schools Test		
Talbot	No APF Schools Test		
Washington	90% of SRC for elementary; 100% for middle and high	Mitigation	Some minor residential subdivisions (under 5 lots); Over-55 age restricted developments
Wicomico	No APF Schools Test		
Worcester	No APF Schools Test		

NOTE - Howard County capacity vs. SRC estimates are based on Bruce Harvey's written APFO testimony, attached.

NOTES

1. All Howard County fees are per square foot which includes basements and garages
2. For this chart, MBIA assumes the average single family home in Howard County is about 4,800 which includes basements and garages.
3. Average single family home in Howard County is currently about 3,100 square feet without basement or garage
4. Anne Arundel County Impact Fee Schedule - <http://www.aacounty.org/departments/inspections-and-permits/permit-center/utility-and-impact-fees/>
5. County Impact Fee FAQ - <http://www.harfordcountymd.gov/faq.aspx?TID=87>
6. Montgomery County Impact Fee Chart - <https://permittingservices.montgomerycountymd.gov/DPS/pdf/ImpactTaxesHandout.pdf>
7. Montgomery County bases transportation/roads fee on a variety of factors largely based on proximity to transit
8. Prince George's Impact Fees as of 2014 - only data easily found online -<http://mgaleg.maryland.gov/Pubs/BudgetFiscal/2014-Impact-Fees-excise-taxes.pdf>