

**Office of the County Auditor
Auditor's Analysis**

Council Resolution No. 91-2020 - REVISED

Introduced: June 1, 2020

Auditor: Michael A. Martin

Fiscal Impact:

The fiscal impact of this legislation is a \$640,000 increase in County tax revenue in the first year of occupancy for units passing the Fiscal Year 2023 School Capacity Test.

In our review of pending housing units provided by the Department of Planning and Zoning, 11 units will pass the Fiscal Year 2023 School Capacity Test based upon the capacity chart provided in the legislation.

As a result, the development of these housing units will generate the following in tax revenue:

Annual Revenue Sources		One-Time Revenue Sources		Non-General Fund Revenue Sources	
Property Tax	57,000	County Transfer Tax	70,000	Fire Tax	13,000
Local Income Tax	37,000	Recordation	14,000	Ad Valorem	4,000
Total	94,000	School Surcharge	371,000	Total	17,000
		Road Excise Tax	74,000		
		Total	529,000		

Estimated off-setting costs of development includes an annual operating cost of approximately \$71,000 for education. This is based upon student yield data received from the Board of Education for the 11 units expected to pass the Fiscal Year 2023 School Capacity Test provided in the legislation. See Attachment B for details. This does not include possible capital costs, which cannot be determined at this time.

Purpose:

Annually, the Howard County Public School System (HCPSS) is required to prepare a School Capacity Chart. Based upon enrollment projections and various criteria, HCPSS will designate school districts and regions as Open or Closed for development.

The chart attached to the legislation is one criterion used by Department of Planning and Zoning to determine if there are Adequate Public Facilities to support proposed development.

Other Comments:

Council Bill 1-2018 established the current School Capacity parameters noted below:

- Elementary School - 105 percent
- Elementary Region – 105 percent
- Middle School – 110 percent
- High School - 115 percent
- Held in School Wait Bin maximum 7 years

Attachment A

The calculation for the above fiscal impact is based on the following assumptions:

Housing Type	Number of Housing Units	Average Square Footage	Average Sales Price
SFD East	3	4,774	568,348
SFD Rural West	4	7,327	737,110
SFA	0	2,586	375,866
APT	4	1,458	233,568

Average square footage is based on issued building permit data obtained from the Department of Planning and Zoning (DPZ). Average sales price was calculated utilizing the DPZ's housing sales report. Both calculations were broken out by housing unit type and planning area to determine a more accurate fiscal impact.

Attachment B

The calculation for the above off-setting educational costs are based on the following:

<u>ESTIMATED EDUCATIONAL COST PER 2020 APFO SCHOOL CAPACITY CHARTS (CR91-2020)</u>											
File Name	Allocation	Unit Type	Elementary School District		Middle School District		High School District		Total Yield	Cost Per Pupil	Total Cost
			School	Yield	School	Yield	School	Yield			
Jordan Overlook	3	SFD	Thunder Hill	0.372	Oakland Mills	0.154	Oakland Mills	0.082	1.823	15,340	27,958
McCann Estates, Lots 1-3	2	SFD	Lisbon	0.381	Glenwood	0.148	Glenelg	0.070	1.197	15,340	18,366
McCann Estates, Ph. 2	2	SFD	Lisbon	0.381	Glenwood	0.148	Glenelg	0.070	1.197	15,340	18,366
Taylor Highlands	4	APT	Worthington	0.058	Ellicott Mills	0.023	Mt Hebron	0.024	0.416	15,340	6,381
TOTAL ESTIMATED COST											71,071