



ROBERT G. CASSILLY

Harford County Executive

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Harford Executive Cassilly Warns Against Legislation Allowing Detached Accessory Dwelling Units in Residential Areas

BEL AIR, Md., (March 4, 2024) – Harford Executive Bob Cassilly today issued a letter to the County Council outlining the potential impacts of [Council Bill No. 24-001](#), which would change existing law to allow detached accessory dwelling units (ADU) occupied by non-relatives on residentially zoned property of an acre or more. The letter was in response to a request from the council for an analysis of the fiscal impact of the bill introduced by Councilmember Aaron Penman.

The letter reads, in part:

“As amended, Bill-24-001 would immediately increase the allowed density on residentially zoned properties of an acre or more countywide, beyond what was originally permissible and intended. Without knowing how many existing and future homeowners might put an Accessory Dwelling Unit (ADU) on their property - or when - the primary challenge is to predict the public costs and revenue that would be generated. Today, there are 1,722 developed and undeveloped residential lots of 1+ acres in the Development Envelope alone, plus many more outside of the Development Envelope.

The scope of this challenge includes estimating the added costs for schools, roads, emergency services, water & sewer infrastructure, government services, and public amenities such as libraries and parks.”

Roughly estimating the cost of each ADU for public schools alone, the letter states:

*“For school operating costs, based on current per pupil yield estimates, one ADU will yield .38 students. Based on the current local appropriation, Harford County government spends \$8,494 per pupil, which is our state-required maintenance of effort (MOE), equating to \$3,228. One ADU, at a projected assessed value of \$125K with a resident earning the median income of \$43.5K is estimated to generate \$2,221 in property and income tax revenue. **Therefore, each ADU creates an ongoing annual deficit of \$1,007 for education alone.***

*On the capital side of education, (based on state-rated capacity and current cost per square foot for public schools prorated by the .38 student yield) one ADU would require \$33,611 in school construction costs alone. Each ADU could potentially generate \$6,825 in one-time revenue from impact fees and recordation tax. **This creates a deficit of \$26,786 per ADU.***

The county executive’s full letter is attached.

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ROBERT G. CASSILLY
Harford County Executive

March 4, 2024

Council President Patrick Vincenti

212 S Bond St
Bel Air, MD 21014

Re: Bill 24-001 - Zoning Accessory Dwelling Units.

Dear Council President Vincenti,

I am writing in response to your request for a fiscal note on Bill 24-001 - Zoning Accessory Dwelling Units.

To thoroughly assess the fiscal impact of this bill, an in-depth analysis would be required and would best be done by an experienced outside consultant at an estimated cost of \$50K. Even then, the bill presents serious challenges to any such evaluation.

As amended, Bill-24-001 would immediately increase the allowed density on residentially zoned properties of an acre or more countywide, beyond what was originally permissible and intended. Without knowing how many existing and future homeowners might put an Accessory Dwelling Unit (ADU) on their property - or when - the primary challenge is to predict the public costs and revenue that would be generated. Today, there are 1,722 developed and undeveloped residential lots of 1+ acres in the Development Envelope alone, plus many more outside of the Development Envelope.

The scope of this challenge includes estimating the added costs for schools, roads, emergency services, water & sewer infrastructure, government services, and public amenities such as libraries and parks.

Some of these costs can be calculated per ADU, but ADUs in the aggregate also put pressure on public infrastructure that will require upgrades. One ADU in a neighborhood would not necessitate a road improvement or water & sewer system upgrade, but our systems are built for existing capacity. As ADUs proliferate, a tipping point will be reached whereby all taxpayers and system-users will bear the costs of increased housing density created by Bill 24-001; currently such added costs are paid by the developers of new houses. The amount and timing of these costs are most difficult to predict.

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On the revenue side of the ledger, the public costs of ADUs could be partially offset by potential revenue from property and income taxes, recordation taxes, impact fees, etc.

Using public education as an example, because we have information about per pupil yields and the costs of public schools, the impacts of one ADU can be roughly estimated as follows.

For school operating costs, based on current per pupil yield estimates, one ADU will yield .38 students. Based on the current local appropriation, Harford County government spends \$8,494 per pupil, which is our state-required maintenance of effort (MOE), equating to \$3,228. One ADU, at a projected assessed value of \$125K with a resident earning the median income of \$43.5K is estimated to generate \$2,221 in

property and income tax revenue. Therefore, each ADU creates an ongoing annual deficit of \$1 ,007 for education alone.

On the capital side of education, (based on state-rated capacity and current cost per square foot for public schools prorated by the .38 student yield) one ADU would require \$33,611 in school construction costs alone. Each ADU could potentially generate \$6,825 in one-time revenue from impact fees and recordation tax. This creates a deficit of \$26,786 per ADU. In addition to public schools, below is a breakdown of potential concerns related to Bill 24-001.

Water and Sewer

Planning for adequate existing and future water and sewer facilities is one of the primary responsibilities of the Department of Public Works (DPW). The proposed ADU units create serious challenges to DPW's ability to fulfill that responsibility.

The proposed legislation will allow for an unknown volume of additional dwelling unit connections to our water and sewer systems within the existing network. DPW prepares and maintains detailed and comprehensive hydraulic models of the operating systems that provide water and sewer capacity to our customers to meet the needs of zoning, land use and population density. These systems include water production, treatment, conveyance, and distribution, as well as sewage collection, pumping, treatment, and discharge to the environment. Engineering, construction, and operation of these operating systems are fully funded through connection fees from developers and user fees from our customers. Even if the number of additional units is known, DPW will incur significant unanticipated and unbudgeted expenses to revise and recalibrate our operating hydraulic models.

In the event the models indicate the requirement for capacity increases in pipelines, pumping stations or treatment plants, significant engineering and construction costs will be incurred, for which there is no funding mechanism in place, thereby requiring county taxpayers to cover the shortfall.

Outside of the Development Envelope, the ADU bill will require property owners to upgrade their septic systems or install new systems. From an environmental perspective, the proliferation of septic systems will have a negative impact on the environment.

Traffic and Roadways

Planning for adequate road and traffic conveyance networks is another primary responsibility of the Department of Public Works, in collaboration with the State Highway Administration (SHA). The ADU bill creates serious challenges in this area. The proposed legislation will allow for an unknown volume of additional dwelling units that will generate vehicle trips and traffic onto the existing County and SHA road network. Even if the number of additional units is known, DPW and SHA will incur significant, unanticipated and unbudgeted expenses to revise and recalibrate the traffic studies on which our existing road network is based.

In the event the new traffic impact studies indicate the requirement for intersection or road capacity improvements, there is no funding mechanism to provide for these significant engineering and construction costs, leaving the taxpayers to cover those costs.

Stormwater Management and Environment

The Department of Public Works has the delegated authority to provide review, approval, inspection, and enforcement of the Maryland Department of the Environment requirements for stormwater management (SWM) and sediment control in the County. The SWM facilities in each existing development in Harford County were engineered, constructed, and maintained in accordance with approved County and State permits. The proposed legislation will allow for an unknown volume of additional impervious surfaces and disturbed areas within existing developments resulting from construction of the additional dwelling unit structures.

Even if the number of additional units is known, the owner of the community SWM facilities or Homeowners Association (HOA) will incur significant unanticipated and unbudgeted expenses to engineer and construct modifications to the existing facilities to accommodate the environmental impacts on existing properties.

DPW will also incur increased costs for review, approval, inspection, and enforcement within these existing developments.

Planning & Zoning

There is the potential that an overwhelming number of Board of Appeals cases for variances could be requested by property owners who are unable to fit an ADU on properties encumbered by easements, such as Natural Resource District (NRD), forest retention, or drainage and utility easements. Depending on the language of the final bill, additional

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resources may be required in Zoning Enforcement to ensure compliance with the Harford County Code.

In closing, Bill 24-001 would immediately increase the allowable density of residential properties in Harford County, resulting in significant known and unknown costs and other impacts affecting all residents and taxpayers countywide. If changes are to be made to the existing ADU code provisions, it would be preferable to form a study group to identify specific changes to the code and craft legislation that effectively addresses the concerns outlined above and others to be identified. That process was followed with considerable success in the recently introduced Agricultural Preservation bill.

Please let me know if you have additional questions.

Sincerely,



Robert G. Cassilly Robert G. Cassilly

Harford County Executive