



ALLIANCE
FOR LIVABLE COMMUNITIES

Residential development often costs taxpayers more than we have been led to believe

New ideas for the new GDP ...



The County may need to balance its residential books

If you feed your garden you should expect abundant tomatoes. If you practice a sport you should expect to improve. Generally, if you want more of something there is a formula for achieving that goal. The formula for residential growth stimulation is commonly called “money”.

Perhaps unknowingly, Anne Arundel County has pursued policies that have fostered unsustainable development patterns. For decades our impact fee policies for residential growth have subsidized most residential development. Money saved by skimping on capital expenses for services has provided significant savings for developers and buyers. In hindsight it is easy to see that essential public services -- schools, roads, parks, fire, police and the like -- are inadequate to provide and maintain quality facilities for our growing population. Costs of environmental impact are also usually ignored.

Communities that take planning seriously also find that new tax revenue from most residential growth does not pay ongoing costs of associated public services. On the average, the ongoing operating costs of services like education, public safety, and parks and recreation demanded by new residential development often substantially exceed the new tax revenue. Multiple studies have documented this. One study in Frederick County showed that for each dollar in residential taxes received, the County expended an average of \$1.14 in County services to those properties. A similar study in Loudoun County showed that the County expended \$1.28 for residential properties per tax dollar. **Stated simply, it's a net loss.**

Of course, not all residential growth looks alike, works alike nor costs alike . The location and type of development can generate varying public costs. Suburban sprawl can have the greatest cost impact on our environment, roads, and schools while transit-oriented development and redevelopment can have a lower impact. Other sources of tax revenue, such as commercial properties, demand fewer services and can generate a revenue surplus that also helps subsidize a portion of the residential revenue shortfall.

In Anne Arundel County, most of the residential tax losses have been accumulated and concealed in the enormous backlog of maintenance and renovation obligations for our essential public infrastructure. [Anne Arundel County's 2017 Spending Affordability Committee \(SAC\) Report](#) noted, "For the past several years, the Committee has expressed concern over a number of budgetary issues. The accumulated deficit for the maintenance and renovation of capital assets, including schools, roads, and other essential County infrastructure, was highlighted in the SAC report for FY2010 as approaching \$2 billion and growing at a rate of nearly \$100 million per year. The proposed increase in capital spending FY 2016-2021 is a great start provided it is mostly spent on aging assets as opposed to new items. In addition, the impact fees charged still remain below 100 percent of the calculated costs with roads being the worse at just over 50 percent based on the 2008 Impact Fee study. The SAC recommends that the County move towards 100 percent of calculated costs (adjusting for inflation) for Impact Fees. This is consistent with the 2008 Report by the Impact Fee Advisory Committee."

Our public officials need to undertake an honest accounting of the financial consequences of Anne Arundel's growth management policies. Fiscal analysis should distinguish residential sprawl vs. residential growth in designated areas with access to transportation alternatives, redevelopment opportunities and other factors.

A full and accurate recognition of the revenue and all the expenses produced by existing and new development will lead to strategies that are both economically and environmentally sound and in the public interest.

Comment on Land Use Change Applications

Land Use Change Applications for the new GDP can be viewed at the [Plan2040 website](#) . Changing the Land Use designation is the first step toward rezoning of a property. Comments on each application can be made by clicking on the relevant property in the Land Use Change Application viewer. The comment period is open through February 29.

About the Alliance

The Anne Arundel Alliance for Livable Communities is a non-partisan coalition of 25 local and state organizations advocating for sustainable growth and environmental protections to safeguard and enhance residents' quality of life.

Anne Arundel Alliance for Livable Communities



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