**WORKFORCE HOUSING DEVELOPMENT AGREEMENT**

**(Rental and Ownership Units)**

THIS WORKFORCE HOUSING DEVELOPMENT AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_\_\_\_\_\_\_ (“Owner”), \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Developer”), ANNE ARUNDEL COUNTY, MARYLAND (the “County”), and ARUNDEL COMMUNITY DEVELOPMENT SERVICES, INC. (“ACDS”).

WITNESSETH:

WHEREAS, the Developer is in the process of developing a site in Anne Arundel County for residential development, known as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (herein the “Project”), as more particularly described on Exhibit A, attached hereto and adopted by reference herein (the “Property”); and

WHEREAS, the County has enacted various laws to regulate and allow the development of “Workforce Housing,” which is housing designed to serve residents that fall within specified household income levels, based on categories established by the United States Department of Housing and Urban Development (hereinafter “Workforce Housing”); and

WHEREAS, the Developer and Owner wish to include Workforce Housing units in the proposed development on the Property, and enter into this agreement to evidence acknowledgement of and compliance with the County’s Workforce Housing requirements.

NOW, THEREFORE, the parties agree that this Agreement is to evidence the Owner’s and Developer’s compliance with the conditional use requirements of § 18-10-170 (Anne Arundel County Code, 2005, as amended, hereinafter the “County Code”) and to assist the County and ACDS in determining compliance with the County’s Workforce Housing program, as set forth herein.

1. The parties agree that the Property is in a \_\_\_\_\_ zoning district, and Workforce Housing is a conditional use in a \_\_\_\_\_ district, subject to the conditions found in § 18-10-170 of the County Code.

**Home Ownership Units**

2. To qualify as Workforce Housing, Owner agrees that at least 40% of the dwelling units offered for sale on the Property shall be sold to and occupied by a household with an income that does not exceed 100% of the median income adjusted for household size in the Baltimore Primary Metropolitan Statistical Area, as defined and published annually by the United States Department of Housing and Urban Development.

3. Each potential purchaser during the Sales Control Period (defined below) shall attend and successfully complete the ACDS Home Ownership Counseling Program as a condition of sale. Each potential purchaser shall obtain a certification of income eligibility from ACDS as a condition of sale, such eligibility to be determined in accordance with the HUD method found in 24 CFR Part 813.106 and the Community Development Block Grant Program Income Calculation Policy.

4. The sales price for the original sale of a Workforce Housing dwelling unit on the Property shall be based on a house price affordable to a household meeting the income eligibility requirements herein, adjusted by the size of the unit based on the number of bedrooms, and approved by ACDS.

5. All deeds for home ownership units on the Property shall contain a provision that the sale of the property is subject to the covenants provided for herein, along with a reference to the date and recording references for the covenants.

6. For a period of no less than ten (10) years from the date of the original sale of the unit, any subsequent purchaser of Workforce Housing home ownership units on the Property shall satisfy the same income eligibility requirements as required for the original purchase (“Sales Control Period”). The sales price for any sale after the original purchase shall be approved by ACDS based on an annual two percent fixed rate multiplier and adjusted by the size of the unit based on the number of bedrooms. Any unit to be resold during the Sales Control Period must meet the following minimum property standards, as confirmed by ACDS:

a. the unit must be free of water infiltration and the roof age must be within its applicable life rating;

b. the HVAC, plumbing and electrical systems must be operational and in compliance with applicable building and safety codes;

c. all appliances must be operational and in good condition;

d. the interior paint and floor coverings must be in good condition.

**Rental Units**

7. To qualify as Workforce Housing, Owner agrees that at least 60% of the dwelling units on the Property offered for lease shall be leased to and occupied by a household with an income that does not exceed 60% of the median income adjusted for household size for the Baltimore Primary Metropolitan Statistical Area, as defined and published annually by the United States Department of Housing and Urban Development (hereinafter “AMI”).

8. Each potential lessee during the Lease Control Period (defined below) shall obtain a certification of income eligibility from ACDS as a condition of lease, such eligibility to be determined in accordance with the HUD method found in 24 CFR Part 813.106 and the Community Development Block Grant Program Income Calculation Policy. Alternately, if the Property is developed utilizing Low Income Housing Tax Credit Units, the property owner will be responsible for certifying tenant incomes in compliance with applicable IRS regulations and ACDS may monitor compliance at any time during the 30 year affordability period.

9. The Lease Control Period shall be a period of no less than thirty (30) years, commencing on the date of receipt of a certificate of occupancy for the Property. During the Lease Control Period, any subsequent lessee or sub-lessee of a rental unit on the Property shall satisfy the same income eligibility requirements as required for the original lessee. ACDS shall annually review income eligibility and rent amounts for compliance; any tenant whose income increases over 60% AMI may continue to reside in the unit, in which case the next available rental unit shall be leased to an income-eligible lessee, regardless of whether that unit was included in the original 60% Workforce Housing units. Alternately, if the Property is developed utilizing Low Income Housing Tax Credit Units, the property owner will be responsible for certifying tenant incomes in compliance with applicable IRS regulations and ACDS may monitor compliance at any time during the 30 year affordability period.

10. The rent limits for the Workforce Housing rental units on the Property shall be equal to or less than the rents published annually by the Maryland Department of Housing and Community Development for the Low Income Housing Tax Credit Program (LIHTC”) for households with an income of 60% of the AMI.

11. The restrictions on home ownership and rental units on the Property contained herein and required by § 18-10-170 shall be imposed upon the Property by execution by the Owner of a set of covenants running with the land and recorded among the Land Records of Anne Arundel County prior to the issuance of a certificate of occupancy, and shall not merge into any deed or lease conveying or leasing all or part of the Property. The Property may be subject to additional restrictions imposed by other lenders or other parties and in the event of any conflict between restrictions imposed by the recorded covenants and any additional restrictions imposed, the more restrictive conditions shall prevail. The covenants shall provide that the County or the County’s designee, including ACDS, may enforce any breach of the covenants by the Owner, or any subsequent owner, lessor, or lessee, through injunctive relief or other legal remedy. Any fees or charges that were exempted based on the project proceeding as Workforce Housing, including impact fees, utility fees, utility connection charges, or other exempted fees or charges, shall become due and owing in the amount that would have otherwise been due at the time of development approval upon a breach of the occupancy restrictions for any ownership or lease units that is not cured within 45 days, and thereafter may be enforced as a charge and lien upon the land pursuant to § 1-8-101 of the County Code.

12. All Workforce Housing units shall include the following design features:

a. Workforce Housing dwelling units that are not multifamily dwelling units, including single family, detached, duplex, semi-detached, and townhouse Workforce Housing units, shall have two or more bedrooms.

b. Workforce Housing units may not be geographically concentrated in a development and, to the extent feasible, shall be evenly distributed throughout the site.

c. Workforce Housing units shall be architecturally similar in size as market rate units in the development.

d. Exterior construction material, finishes and landscaping shall be comparable in quality and generally indistinguishable in exterior appearance from market rate units.

e. Interior amenities shall be comparable in function to market rate units and be of good quality. Improvements related to energy efficiency, HVAC, plumbing, and electric shall comparable in quality and capacity to market rate units.

13. Owner agrees that the County and ACDS shall have access to the Property, including the interior of any Workforce Housing units, at all reasonable times to determine Owner’s compliance with the Workforce Housing requirements and this Agreement.

14. At the time of the initial submission of a sketch plan, subdivision plan, preliminary plan, or final site development plan, Owner and/or shall provide the County and ACDS such documentation as deemed necessary by the County to demonstrate compliance with this Agreement and the Workforce Housing requirements, including, but not limited to, floor plans with dimensions, square footage, and number of bedrooms; site plans showing the initial location of Workforce Housing units on the site; a construction schedule for Workforce Housing units; and such other documentation as may be required to evidence compliance with the Workforce Housing requirements and this Agreement.

15. The initial location of the Workforce Housing dwelling units must be noted on the

recorded subdivision plat or site development plan, as applicable, and in the covenant required to be recorded in the County Land Records hereunder.

16. Prior to application for a building permit, Developer shall provide ACDS with a copy of architectural plans for the Workforce Housing units and any non-Workforce Housing units for review. ACDS shall determine if the Workforce Housing units are architecturally similar in size as market rate units in the development, and whether exterior construction material and finishes are comparable in quality and generally indistinguishable in exterior appearance from market rate units. If ACDS determines that these standards have been met, ACDS shall provide Owner and Developer a certification of compliance which shall be included part of the building permit application. No building permit may issue without the certification of compliance from ACDS.

17. This Agreement, and the covenants required hereunder, shall be binding on the lessees, agents, successors, heirs and assigns of the Owner.

18. The provisions of this Agreement shall survive execution and delivery of any deeds or leases, and shall not be merged therein.

19. Owner and Developer agree to abide by and comply with all applicable laws regarding the subject matter of this Agreement, whether or not specifically referenced herein, including all conditional use requirements set forth in § 18-10-170, and agrees to execute and deliver such additional documents as deemed necessary by the County to effectuate the intent and purpose of this Agreement.

20. The term of this Agreement is three (3) years from the date hereof, provided, however, that if the Owner or Developer obtains the initial building permit within said three years, this Agreement shall remain in effect until the final certificate of occupancy is issued, or ten years from the date hereof, whichever occurs first. If Owner or Developer does not obtain the initial building permit within three years hereof, this Agreement may be extended by consent of the parties, which shall be evidenced by a written amendment to that effect. The County may terminate this Agreement and revoke all issued permits upon a material breach of the terms hereof, if such failure or breach is not cured with4in forty-five (45) days after delivery (via email and USPS mailed notice to Owner and Developer) of written notice of said failure or breach. In the event of a termination of this Agreement by the County, any benefits accruing to the Owner or Developer based on the development of Workforce Housing, such as impact fee credits, adequate public facilities vesting, utility credits, utility connection charges, or local tax credits, shall be immediately terminated and any amounts that would have been otherwise due at the time of development approval shall be due immediately from the Owner and Developer, jointly and severally, and may be collected by the County pursuant to § 1-8-101 of the County Code.

21. Any notice required to be delivered under this Agreement shall be delivered to the parties by email and USPS mail according to the following contact information:

Owner:

Copy:

Developer:

Copy:

County: Arundel Community Development Services, Inc.

2666 Riva Road, Suite 210

Annapolis, MD 21401 Attn: Erin Karpewicz [*ekarpewicz@acdsinc.org*](mailto:ekarpewicz@acdsinc.org)

Copy: Anne Arundel County Office of Law 2660 Riva Road, 4th Floor Annapolis, MD 21401

Attn: County Attorney

[*gregory.swain@aacounty.org*](mailto:gregory.swain@aacounty.org)

IN WITNESS WHEREOF, the parties have signed, sealed and delivered this Agreement under seal as of the date first above written.

ATTEST: OWNER:

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_SEAL)

DEVELOPER:

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_SEAL)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(SEAL)

ARUNDEL COMMUNITY

DEVELOPMENT SERVICES, INC.

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_SEAL)

Erin Karpewicz, Chief Executive Officer

ANNE ARUNDEL COUNTY, MARYLAND

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(SEAL)

Christine M. Anderson

Chief Administrative Officer

APPROVED FOR FORM AND

LEGAL SUFFICIENCY:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Gregory J. Swain Date

County Attorney