

# WORKFORCE HOUSING DEVELOPMENT AGREEMENT

## *(Rental and Homeownership Units)*

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

WHEREAS, Owner is the owner of, and Developer is in the process of developing a residential development known as \_\_\_\_\_ (herein, the "Project") on, certain real property located in the County as more particularly described on Exhibit A, attached hereto and adopted by reference herein (the "Property"); and

WHEREAS, pursuant to §18-10-175 of the Anne Arundel County Code (2005, as amended), the County has established a Workforce Housing Conditional Use ("Workforce Housing Conditional Use") to regulate and allow for the development of housing units ("Workforce Housing Units") designed to serve residents that fall within specified household income levels adjusted for household size for the Baltimore-Columbia-Towson MD Metropolitan Statistical Area, as defined and published annually by the United States Department of Housing and Urban Development ("AMI"); and

WHEREAS, the Developer and the Owner wish to include Workforce Housing Units in the Project on the Property and enter into this Agreement to evidence acknowledgement of and compliance with the Workforce Housing Conditional Use requirements.

NOW, THEREFORE, the parties agree that this Agreement is to evidence the Owner's and Developer's compliance with the Workforce Housing Conditional Use requirements and to assist the County and ACDS in determining compliance with the County's Workforce Housing program.

1. The parties agree that the Property is in a \_\_\_\_ zoning district, and that the Workforce Housing Conditional Use is permitted in such district, subject to the conditions found in § 18-10-175 of the County Code.

## **Homeownership Units**

2. To qualify for the Workforce Housing Conditional Use, Owner and Developer agree that at least forty percent (40%) of the dwelling units offered for sale on the Property shall be sold to and occupied by households whose income do not exceed one hundred percent (100%) of the AMI.
3. Each potential purchaser of a Workforce Housing Unit during the Sales Control Period (defined below) shall attend and successfully complete the ACDS Homeownership 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 for the HOME program set forth in 24 CFR 92.203 and 24 CFR 5.609.

4. The sales price for the original sale of a Workforce Housing 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 homeownership Workforce Housing Units on the Property shall contain a provision that the sale of the Workforce Housing Unit 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 not less than ten (10) years from the date of the original sale of the unit ("Sales Control Period"), any subsequent purchaser of a homeownership Workforce Housing Unit on the Property shall satisfy the same income eligibility requirements as required for the original purchaser. 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 good condition;
  - c. all appliances must be operational and in good condition; and
  - d. the interior paint and floor coverings must be in good condition.

## **Rental Units**

7. To qualify for the Workforce Housing Conditional Use, Owner and Developer agree that at least sixty percent (60%) of the dwelling units on the Property offered for lease shall be leased to and occupied by households whose income that do not exceed sixty percent (60%) of the 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 for the HOME program set forth in 24 CFR 92.203 and 24 CFR 5.609. Alternately, if the Property is financed through the Low-Income Housing Tax Credit ("LIHTC") program, Owner and Developer will be responsible for certifying initial tenant incomes in compliance with applicable Internal Revenue Service and LIHTC requirements and ACDS shall not require additional

income certification, provided that ACDS shall have the right to monitor compliance in an LIHTC development at any time during the Lease Control 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 Project. During the Lease Control Period, any subsequent lessee or sub-lessee of a Workforce Housing Unit in the Project shall satisfy the same income eligibility requirements as required for the original lessee. ACDS shall annually review income eligibility and rent amounts for compliance. In the event a tenant's income increases over sixty percent (60%) AMI, the tenant may continue to reside in the unit, and the Owner and Developer shall make the next available non-Workforce Housing Unit available to an income-eligible lessee, regardless of whether that unit was included in the original sixty percent (60%) Workforce Housing Units. Alternately, if the Property is financed through the LIHTC program, Owner and Developer will be responsible for annually certifying tenant incomes in compliance with applicable Internal Revenue Service and LIHTC requirements and ACDS shall not require annual income certification, provided that ACDS shall have the right to monitor compliance in a LIHTC development at any time during the Lease Control 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 LIHTC for households with an income of sixty percent (60%) of the AMI.

### **Rental and Homeownership Units**

11. The restrictions on homeownership and rental units on the Property contained herein and required by § 18-10-175 shall be imposed upon the Property by execution by the Owner of a Declaration of Workforce Housing Covenants, Conditions and Restrictions (the "Declaration") 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 Declaration and any additional restrictions imposed, the more restrictive conditions shall prevail. The Declaration 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 under the Workforce Housing Conditional Use, 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 arising from the initial ownership of or lease of 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) Duplex, semi-detached, single family, detached, and townhouse Workforce Housing Units, shall have two or more bedrooms.
- b) The ratio of one-bedroom Workforce Housing Units in a multi-family project may not exceed the ratio of market rate one-bedroom units to the total number of market rate units in the Project.
- c) To the extent feasible, Workforce Housing Units shall be evenly distributed throughout the Project.
- d) Workforce Housing Units shall be architecturally similar in size as the market rate units in the Project.
- e) Exterior construction material, finishes and landscaping for Workforce Housing Units shall be of comparable quality and generally indistinguishable in exterior appearance from the market rate units.
- f) Interior amenities for Workforce Housing Units may have reduced finishes and features than those in the market-rate units, provided that the interior amenities for the Workforce Housing Units shall be of good quality and functionally equivalent to those in the market-rate units. The reduction to the interior amenities for the Workforce Housing Units may not include a reduction in the improvements related to energy efficiency, heating and cooling equipment, plumbing, and electrical systems.

13. Owner and Developer agree that the County and ACDS shall have access to the Property, including the interior of any Workforce Housing Unit, at all reasonable times to determine Owner's and Developer's compliance with the Workforce Housing Conditional Use 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 Developer shall provide the County and ACDS such documentation as deemed necessary by the County to demonstrate compliance with this Agreement and the Workforce Housing Conditional Use 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 Conditional Use requirements and this Agreement.

15. The initial location of the Workforce Housing Units must be noted on the recorded subdivision plat or site development plan, as applicable, and, for homeownership, also in the Declaration.

16. Prior to application for a building permit, Developer shall provide ACDS with a copy of architectural plans for the Workforce Housing Units and the market rate units for

review. ACDS shall determine if the Workforce Housing Units are architecturally similar in size to the market rate units in the development, and whether exterior construction material and finishes in the Workforce Housing Units 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 Declaration, shall be binding on the lessees, agents, successors, heirs and assigns of Owner and Developer.
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 § 18-10-175, 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 from the date 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 within 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, the Developer, or the Owner, any benefits accruing to the Owner or Developer based on the development of Workforce Housing Units, 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:

Developer:

ACDS: Arundel Community Development Services, Inc.  
2666 Riva Road, Suite 210  
Annapolis, MD 21401  
Attn: Erin Karpewicz  
[ekarpewicz@acdsinc.org](mailto:ekarpewicz@acdsinc.org)

County: Anne Arundel County Office of Law  
2660 Riva Road, 4<sup>th</sup> Floor  
Annapolis, MD 21401  
Attn: County Attorney  
[gregory.swain@aacounty.org](mailto:gregory.swain@aacounty.org)

[SIGNATURES ON FOLLOWING PAGE]

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)

ARUNDEL COMMUNITY  
DEVELOPMENT SERVICES, INC.

\_\_\_\_\_

By: \_\_\_\_\_SEAL)  
Erin Karpewicz, Chief Executive Officer

ANNE ARUNDEL COUNTY, MARYLAND

\_\_\_\_\_

By: \_\_\_\_\_(SEAL)  
Christine M. Anderson  
Chief Administrative Officer

APPROVED FOR FORM AND  
LEGAL SUFFICIENCY:

\_\_\_\_\_  
Gregory J. Swain, County Attorney

## EXHIBIT A

### Property Description