

Arundel Community Development Services, Inc. (ACDS)

WORKFORCE HOUSING CONDITIONAL USE REQUIREMENTS

Bill 54-19

§ 18-10-175 of the Anne Arundel County Code (2005, as amended)

Updated January 15, 2026

HOMEOWNERSHIP REQUIREMENTS

INCOME

At least 40 percent (40%) of the dwelling units must be made available to households with an income that does not exceed 100% of the area median income adjusted for household size for the Baltimore-Columbia-Towson MD Metropolitan Statistical Area (AMI). The 100% AMI limits will be calculated by ACDS each year based upon the 80% AMI limits published annually by the U.S. Department of Housing and Urban Development (HUD) and posted on ACDS' website. The original purchasers and any purchasers during the control period (as described below) of the Workforce Housing Restricted Units (WFHU) must be a graduate of the Arundel Community Development Services, Inc. (ACDS) Homeownership Counseling Program. In addition, the purchaser must have an income certification from ACDS to demonstrate their eligibility to purchase a WFHU. The household income will be determined in accordance with the method defined by and published by HUD:

<https://archives.hud.gov/offices/cpd/affordablehousing/modelguides/1780.pdf>

CONTROL PERIOD

The WFHUs must remain affordable for 10 years from the original sale of the unit. This timeframe is referred to as the control period and will be enforced through a Declaration of Covenants, Conditions and Restrictions that will be placed on the property. The Declaration will restrict sales of the WFHUs to households at 100% AMI and below and will adjust the sale price for the WFHUs based on an annual two percent fixed rate multiplier. This multiplier may be adjusted by ACDS during the control period based on economic conditions. If a WFHU is re-sold during this control period, it must meet the following minimum property standards, as confirmed by ACDS: (i) the residence must be free of water infiltration and the roof age must be within its life rating; (ii) the HVAC plumbing and electrical systems must be operational and in good condition; (iii) all appliances must be operational and in good condition; and (iv) the interior paint and floor coverings must be in good condition.

WORKFORCE HOUSING UNITS MAXIMUM SALES PRICE

For-Sale WFHUs must be made available to households with a Gross Household Income that does not exceed 100% of the area median income (AMI) adjusted for household size for the Baltimore Metropolitan Statistical Area. Although households with Gross Household Incomes up to 100% AMI are eligible to purchase for-sale WFHUs, the Gross Household Income used to establish sales price limits will be calculated by Arundel Community Development Services, Inc. (ACDS) each year based upon the 80 percent AMI limits published annually by the U.S. Department of Housing and Urban Development (HUD). Income limits for 80%AMI and 100% AMI are set forth on Exhibit A attached hereto.

ACDS will use the Seven Step Methodology described on Exhibit A attached hereto to set the Initial Sales Price for WFHU.

DESIGN REQUIREMENTS

1. Duplex, semi-detached, single family, detached, and townhouse WFHUs must have two or more bedrooms.
2. The ratio of one-bedroom WFHUs in a multi-family project may not exceed the ratio that market rate one-bedroom units have to the total number of market rate units in the development.
3. To the extent feasible, the WFHUs must be evenly distributed throughout the development.
4. The WFHUs must be architecturally similar in size to the market rate units in the development.
5. Exterior construction material, finishes, and landscaping of the WFHUs must be of comparable quality and generally indistinguishable in exterior appearance from the market rate units.
6. Interior amenities for the WFHUs may have reduced finishes and features than those in the market rate units, provided that the interior amenities for the WFHUs must be of good quality and functionally equivalent to those in the market rate units. The reduction to the interior amenities for the WFHUs may not include a reduction in the improvements related to energy efficiency, heating and cooling equipment, and plumbing and electrical systems.

DEVELOPMENT PROCESS

Prior to submitting a site development or a subdivision application with the County, the applicant must meet with ACDS to review the requirements for WFHUs and the process for implementing these requirements. The developer will be required to enter into a Development Agreement with the County. This Agreement will define the number of WFHUs, the type and location of the WFHUs, and any other requirements for WFHUs. The inclusion of WFHUs also must be noted on the recorded subdivision plat or site development plan, whichever is applicable, and the Declaration of Covenants, Conditions and Restrictions must be recorded in the County Land Records. Execution of the Agreement and Recordation of the Declaration must occur no later than transfer of the property to the entity which will develop the WFHUs. The Declaration may be released at any time with written approval by the Office of Planning and Zoning if the project does not move forward

RENTAL REQUIREMENTS

INCOME

At least 60% of the rental units must be made available to households with an income that does not exceed 60% of the AMI adjusted for household size for the Baltimore-Columbia-Towson MD Metropolitan Statistical Area. Except as noted below, all tenants must have an income certification from ACDS to demonstrate their income eligibility to rent a WFHU. The household income will be determined in accordance with the method defined by and published by HUD: <https://archives.hud.gov/offices/cpd/affordablehousing/modelguides/1780.pdf>.

If the development is financed through the Low Income Housing Tax Credit (LIHTC) program, the project owner shall be responsible for certifying tenant incomes in compliance with the 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 control period (see below).

RENTAL LIMITS

The rent limit for WFHUs will be equal to the rents published on an annual basis for the LIHTC program by the State of Maryland Department of Housing and Community Development for households with income at 60% of AMI by bedroom size. These rent rates will be published on an annual basis.

CONTROL PERIOD

A rental project containing WFHUs must remain affordable for a period of thirty (30) years from the receipt of a certificate of occupancy. This control period will be enforced through the Declaration of Covenants, Conditions and Restrictions that will be placed on the property. Compliance with the income and rent requirements will be monitored annually by ACDS, except for LIHTC properties as noted above. For developments already subject to other income compliance monitoring due to project financing, ACDS may waive its requirement to conduct separate monitoring for WFHUs. If the income of a tenant in a rental WFHU increases above 60% of AMI, the tenant may continue to reside in the unit and the owner may raise the rent of that unit above the rental limits for the WFHUs. However, the next available unit must be rented to a household with an income of 60% or below AMI.

DESIGN REQUIREMENTS

1. Duplex, semi-detached, single family, detached, and townhouse WFHUs must have two or more bedrooms.
2. The number of one-bedroom WFHUs in a multi-family project may not exceed the ratio that market rate one-bedroom units have to the total number of market rate units in the development.
3. To the extent feasible, the WFHUs must be evenly distributed throughout the development.
4. The WFHUs must be architecturally similar in size to the market rate units in the development.
5. Exterior construction material, finishes, and landscaping of the WFHUs must be of comparable quality and generally indistinguishable in exterior appearance from market rate units.
6. Interior amenities for the WFHUs may have reduced finishes and features than those in the market rate units, provided that the interior amenities for the WFHUs must be good quality and functionally equivalent to those in the market rate units. The reduction to the interior amenities for the WFHUs may not include a reduction in improvements related to energy efficiency, heating and cooling equipment, and plumbing and electrical systems.

DEVELOPMENT PROCESS

Prior to submitting a site development or a subdivision application with the County, the applicant must meet with ACDS to review the requirements for WFHUs and the process for implementing these requirements. The developer will be required to enter into a Development

Agreement with the County. This Agreement will define the number of WFHUs, the type and location of the WFHUs, and any other requirements for WFHUs. The inclusion of WFHUs also must be noted on the recorded subdivision plat or site development plan, whichever is applicable, and the Declaration of Covenants, Conditions and Restrictions must be recorded in the County Land Records. Execution of the Agreement and Recordation of the Declaration must occur no later than transfer of the property to the entity which will develop the WFHUs. The Declaration may be released at any time with written approval by the Office of Planning and Zoning if the project does not move forward.

EFFECTIVE DATE

The effective date of these Workforce Housing Conditional Use Requirements shall be January 15, 2026.



Erin Karpewicz, Chief Executive Officer

January 15, 2026
Date

Exhibit A WORKFORCE HOUSING PROGRAM

Calculation of Maximum Sales Price Worksheet (100% AMI) Homeownership

January 15, 2026

The 100% AMI Gross Household Income limits are detailed in the table below:

Household Size	Maximum Annual Household Income – 100% AMI (Effective Date: June 1, 2025)
1	\$91,188
2	\$104,250
3	\$117,250
4	\$130,250
5	\$140,688

The 80% AMI Gross Household Income limits are detailed in the table below:

Household Size	Maximum Annual Household Income – 80% AMI (Effective Date: June 1, 2025)
1	\$72,950
2	\$83,400
3	\$93,800
4	\$104,200
5	\$112,550

STEP ONE: DETERMINE HOUSEHOLD SIZE

Household Size is determined according to number of bedrooms using the following table:

Number of Bedrooms	Household Size
1	2
2	3

3	4
4	5

STEP TWO: DETERMINE MAXIMUM ANNUAL HOUSEHOLD INCOME

Use 80 Percent (80%) AMI, as published annually by the U.S. Department of Housing and Urban Development (HUD).

Number of Bedrooms	Household Size	Maximum Annual Household Income
1	2	\$83,400
2	3	\$93,800
3	4	\$104,200
4	5	\$112,550

STEP THREE: ESTABLISH MONTHLY HOUSEHOLD INCOME

Calculate Monthly Household Income by dividing Maximum Annual Household Income by 12.

Number of Bedrooms	Income Limits at 80% AMI	Monthly Household Income
1	\$83,400	\$6,950
2	\$93,800	\$7,817
3	\$104,200	\$8,683
4	\$112,550	\$9,379

STEP FOUR: CALCULATE MAXIMUM HOUSING COST ALLOWANCE

Calculate Maximum Housing Cost Allowance by Multiplying the Monthly Household Income from step three by 35%.

Number of Bedrooms	Monthly Household Income	Maximum Housing Cost Allowance
1	\$6,950	\$2,433
2	\$7,817	\$2,736
3	\$8,683	\$3,039
4	\$9,379	\$3,283

STEP FIVE: CALCULATE AFFORDABLE HOUSING PRINCIPAL AND INTEREST PAYMENT

Additional Housing Expenses (e.g. Property Taxes, HOA Fees, Condo Fees and PMI) must be subtracted from Maximum Housing Cost Allowance to determine Income Available for Mortgage Principal and Interest Payment. ACDS requires that Additional Housing Expenses be calculated as 22% of Maximum Housing Cost Allowance.

Number of Bedrooms	Maximum Monthly Housing Cost Allowance	Housing Expenses (22% of Housing Cost Allowance)	Income Available for Mortgage Principal and Interest Payment
1	\$2,433	\$535	\$1,898
2	\$2,736	\$602	\$2,134
3	\$3,039	\$669	\$2,370
4	\$3,283	\$722	\$2,561

The 22% allowance for Additional Housing Expenses is based on the County's current property tax rate and estimates for insurance, homeowners' association fees and private mortgage insurance. This allowance may be adjusted periodically by ACDS based on changing County economic conditions.

STEP SIX: CALCULATE MAXIMUM MORTGAGE AMOUNT

Calculate Mortgage Amount Based on Total Income Available for Principal and Interest Payment using:

Mortgage Interest Rate: 6.44%
 Mortgage Term: 30 years

Number of Bedrooms	Income Available for Mortgage Principal and Interest Payment	Maximum Mortgage Amount
1	\$1,898	\$302,168
2	\$2,134	\$339,740
3	\$2,370	\$377,312
4	\$2,561	\$407,719

*calculated based on mortgage calculator: <https://bretwhissel.net/amortization>

The Mortgage Interest Rate is determined by calculating an average of (i) the current national mortgage rate (6.07%); (ii) the lowest national interest rate for the previous 52 weeks (6.01%); and (iii) the highest national interest rate for the previous 52 weeks for a 30-year fixed rate loan (7.25%) as published in the *Mortgage News Daily*.

STEP SEVEN: CALCULATE SALES PRICE

Calculate Initial Sales Price by dividing the Maximum Mortgage Amount by 0.965 and rounding the result down to the nearest \$1,000. As noted above, the maximum Initial Sales Price for a WFHU is the Initial Sales Price affordable to a 4-person household earning 80% AMI, based on the household size and number of bedrooms, i.e. a 3-bedroom unit. The use of .965 as a factor to calculate the Initial Sales Price reflects the prevailing down payment requirement for an FHA mortgage loan.

Number of Bedrooms	Income Available for Mortgage Principal and Interest Payment	Maximum Mortgage Amount	Sales Price (Mortgage Amount Divided by .965)	Maximum House Price (rounded down)
1	\$1,898	\$302,168	\$313,127	\$313,000
2	\$2,134	\$339,740	\$352,062	\$352,000
3	\$2,370	\$377,312	\$390,996	\$390,000
4	\$2,561	\$407,719	\$422,506	\$422,000