Arundel Community Development Services, Inc.

Moderately Priced Dwelling Unit ("MPDU") Program

Frequently Asked Questions ("FAQ")

Last updated: September 3, 2026

FAQS FOR DEVELOPERS/BUILDERS AND PROPERTY OWNERS AND MANAGERS

Background

The following FAQs provide information about Anne Arundel County's Moderately Priced Dwelling Unit ("**MPDU**") Program, created by the Housing Attainability Act, Anne Arundel County Council Bill 72-24, codified at Anne Arundel County Code Section § 17-12-101 through § 17-12-115 (as amended). The MPDU Program requires the inclusion of affordable units in most rental and for-sale developments with 10 or more units and provides density bonuses and other land use benefits and flexibility for housing development.

Anne Arundel County has named Arundel Community Development Services, Inc. ("**ACDS**") as the MPDU Administrator. The ACDS website includes a special MPDU section (the "**MPDU Website**") that provides resources for landlords, developers, tenants, homebuyers and other interested parties regarding the MPDU Program:

https://acdsinc.org/moderately-priced-dwelling-unit-mpdu-program/

For any questions not addressed in this FAQ sheet, please check the materials on the MPDU Website or contact ACDS at mpdu@acdsinc.org or OPZ at Planning and Zoning Customer Support.

These FAQs will be periodically updated and posted to the MPDU website.

For information on renter/homeowner eligibility and other details on for-sale and rental community operations, see the separate FAQs for Homebuyers and for Renters on the MPDU Website.

EQUAL HOUSING OPPORTUNITY

General Program Questions

What developments are subject to MPDU Program requirements?
Developments with 10 or more units that are not entitled to any of the exemptions set forth below and for which an application for a Sketch Plan for Subdivision or a Preliminary Plan for Site Development is submitted on or after the Effective Date.

What developments are exempt from the MPDU Program?
The following developments do not have to comply with the MPDU Program requirements:

i. developments with fewer than 10 units;

ii. developments in areas zoned RA (Rural Agricultural) and RLD (Rural Limited Development);

iii. developments financed under local, state or federal financing programs that provide an equal or greater number of income-restricted units than would be required by the MPDU Program;

iv. developments financed or developed by ACDS that provide equal or greater number of income-restricted units than would be required by the MPDU Program;

v. Workforce Housing developments pursuant to the Anne Arundel County Code, Article 18, title 10; and

vi. housing for elderly of moderate means pursuant to Anne Arundel County Code, Article 18, title 10.

How many units in a development must be MPDUs?

i. Rental developments are required to reserve not less than fifteen percent (15%) of total units as MPDUs;

ii. For-sale developments are required to reserve not less than ten percent (10%) of total units as MPDUs.

How are the exact number and type of required MPDUs calculated?
An MPDU Calculation worksheet is available on the MPDU website. Developers should use the worksheet to determine the number of MPDUs required for their proposed developments. The final determination of the MPDU requirement will be made by OPZ.

Are there restrictions on the types of units in a development that must be MPDUs as opposed to market rate units?
Yes. Generally, the MPDUs must be similar to the market rate units in size, number of bedrooms, and other design features. In addition, if a development contains a mix of dwelling types, such as townhouses and single-family homes, the MPDUs must be proportionate in each dwelling type. See the Design Requirements on the MPDU Website for detailed information on unit type, materials, number of bedrooms, landscaping, and other design features.

Does a developer need to make a separate application for an exemption?
No. The proposed development application will be analyzed, including the applicability of MPDU exemptions, as part of the standard development review process.

When can a developer make a contribution in lieu of developing MPDUs?
A contribution in lieu of developing MPDUs is permitted only for developments containing not less than 10 nor more than 19 units and only in exceptional circumstances, as defined in Code Section § 17-12-105. Developers seeking this exemption must apply to OPZ for approval, and if approved, must execute an Agreement for Contribution in Lieu of Development of Moderately Priced Dwelling Units. See the MPDU Website for the Agreement form.

What County fees are waived or exempted for MPDUs?
(i) Each MPDU is exempt from 50% of the water and wastewater system capital facility connection charges (Code Section § 13-5-813); and (ii) each MPDU is entitled to a credit against development impact fees for schools, roads and public safety (Code Section § 17-11-207). Note that only the MPDUs are credited for these charges, not the entire development or the non-MPDUs.

Are MPDU developments entitled to a density bonus?
Yes. Density bonuses vary depending on the property's zoning. In R1 and R2 zoning districts, developers may propose bonus dwelling units up to 125% of allowable density. In R5 and higher zoning districts, developers may propose bonus dwelling units up to 150% of allowable density. When bonus units are proposed, a higher proportion of those units must be provided as MPDUs. More information on density bonuses can be found in Code Section § 18-12-701.

What documents do developers need to sign?
An MPDU Development Agreement and Declaration of Restrictive Covenants ("**MPDU Agreement**") between the developer and the County must be signed and recorded against the development as part of the development plan approval. See the MPDU Website for the

MPDU Agreement form and the process timeline for execution and recordation of the MPDU Agreement.

How does immigration status affect participation in the MPDU Program?
The County's law does not contemplate citizen status as part of the certification process, but lenders and landlords typically require a social security number or some other tax ID number as part of their approval process to obtain a mortgage or rental application.

How does a household apply to purchase or rent an MPDU?
ACDS will manage all initial applications and conduct initial household eligibility screening through its MPDU Application Portal, which is expected to open in approximately mid-October 2026. Households that meet the minimum eligibility standards will be placed on a waiting list maintained by ACDS and will be notified when units become available. When a unit becomes available, households will work directly with owner/developer/property manager in applying for the rental unit or purchasing the for-sale unit. Property owners/managers/developers/builders should refer any interested applicants to ACDS to submit an application.

Is the property manager of a rental MPDU community or an HOA in a homeownership MPDU community required to allow residents to have pets?
Property managers and HOAs can establish the rules of their community. As a result, property managers are not required to allow residents to have pets.

Homeownership/For Sale MPDUs

How long must for-sale MPDUs be restricted?
MPDUs in for-sale developments must be restricted for 20 years, measured from the initial sale of the MPDU.

What is the sales price of a for-sale MPDU?
The purchase price of an MPDU will be established by ACDS and will be updated on a semi-annual basis. The purchase price will be based on an amount affordable to households earning 80% of AMI, adjusted for household size, and accounting for housing cost allowances and prevailing mortgage rates. As of July 1, 2026, the maximum purchase price is $397,000. For more detail, see the “Program Policy Establishing Initial Sales Price and Housing Income Limits in For Sale Moderately Priced Dwelling Units” available on the MPDU Website.

When is the sales price for a MPDU for sale unit established?
MPDU home sales prices are updated semi-annually, on or about January 1 and July 1. When a developer/builder is ready to sell an MPDU, the developer/builder will send ACDS a Notice of Availability. The MPDU sales price will be set on the date of the Notice of Availability and cannot be raised or lowered after that. So, for example, if a Notice of Availability is sent on June 15, but the unit is not sold before the next sales price updating, the sale price is established as of June 15, regardless of any changes effective on July 1.

Rental MPDUs

How long must rental MPDUs be restricted?
MPDUs in rental developments must be restricted for 40 years, measured from initial rental.

What are the rental rates for MPDUs?
Rental rates for MPDUs will be set annually by ACDS. The maximum rental rate will be the amount affordable to a 4-person household earning 75% of AMI and paying 30% of their income for rent. As of July 1, 2026, the maximum monthly rent is $2,503, which will be further adjusted by household size and the number of bedrooms in a unit for each household. For more detail, see the “Program Policy Establishing Rental Rates and Housing Income Limits For Rental Moderately Priced Dwelling Units” available on the MPDU Website.

When is the rental rate for a rental MPDU established?
MPDU rental rates are updated annually, on or about July 1. When a property owner/manager is ready to lease an MPDU, the property owner/manager will send ACDS a Notice of Availability. The MPDU rental rate will be set on the date of the Notice of Availability and cannot be raised or lowered after that. So, for example, if a Notice of Availability is sent on June 15, but the unit is not leased before the next rental rate updating, the rental rate is established as of June 15, regardless of any changes effective on July 1.

Can the MPDU Program be combined with other housing assistance programs?
Potentially. Eligibility will depend on the requirements of the MPDU program and the other housing assistance program such as housing vouchers and family self-sufficiency programs.

Can a property owner/manager increase the rent on an MPDU unit?
Yes, the rental rate on an MPDU unit may be increased when a new lease is entered into or a lease is renewed, so long as the rent charged remains below the Rent Limits established and updated annually by ACDS.

Will property owners/managers be required to certify income and other eligibility requirements?
Applicants will be screened by ACDS for initial income and other eligibility requirements. Once an applicant has been accepted into a rental MPDU, the property owner/manager will be required to re-certify continued income eligibility on an annual basis. Instructions for re-certification are contained in MPDU Guide for Leasing Agents, Property Owners and Property Managers which will be available on the MPDU Website.

Can property owners/managers apply their own credit and other screening requirements to MPDU applicants?
Yes, provided that the requirements are otherwise consistent with the MPDU program, including the MPDU Lease Addendum and Guide for Leasing Agents, Property Owners and Property Managers, and local, state and federal fair housing laws.

How long can a tenant remain in an MPDU rental unit?
The program does not establish a time limit requiring residents to leave after a certain number of years. The program is intended to allow residents to increase their income without automatically losing their housing. However, significant increases in household income could affect the amount of rent charged or other aspects of continued participation.