Anne Arundel County Cottage Home Developments - Frequently Asked Questions (FAQs)

Last Updated: October 8, 2026

Background

These FAQs provide information about Anne Arundel County's Cottage Home Development ordinance, adopted by Anne Arundel County Council Bill 92-25, effective April 12, 2026 (the "Effective Date"). Anne Arundel County has established this provision to increase affordable homeownership opportunities through the development of smaller, more affordable dwelling units known as Cottage Home Dwelling Units. Cottage Home Dwelling Units will provide homeownership opportunities for income-eligible households while also maintaining appropriate and adequate community design standards for the constructed units.

These FAQs provide general information for prospective homebuyers as well as builders interested in Cottage Home Developments in Anne Arundel County. Arundel Community Development Services ("ACDS") will periodically update these FAQs to reflect the most current policies and procedures that will be used to guide the development process. This document will be posted to the ACDS website.

Bill 92-25 applies only to new developments that submit applications to the Anne Arundel County Office of Planning and Zoning ("OPZ") for a Sketch Plan for Subdivision or a Preliminary Plan for Site Development after the Effective Date. Therefore, the first units will not be available for purchase until new developments are complete.

As of the date of these FAQs, there are no Cottage Home Developments in process. ACDS will post additional information on the ACDS website as Cottage Home Dwelling Units begin to become available. We encourage all interested parties to monitor the ACDS website for updates.

For any questions not addressed in these FAQs, please check the ACDS website at this link or contact ACDS online at this link or OPZ at Planning and Zoning Customer Support.

Applicable Federal, State, and County laws and regulations in the sale or leasing of Cottage Home Dwelling Units include, but are not be limited to (i) the Federal Fair Housing Act, (ii) the Americans with Disabilities Act, Section 504 of the Rehabilitation Act, (iii) Article 49B of the Maryland Annotated Code, (iv) Anne Arundel County fair housing laws, and (v) any other laws that prohibit discrimination on the grounds of age, ancestry, citizenship, color, creed, disability, familial status, gender identity or

expression, marital status, national origin, occupation, race, religion, sex, sexual orientation.

When will Cottage Home Dwelling Units become available for purchase?

The availability of Cottage Home Dwelling Units will depend on when developers obtain development approvals and complete construction. Information regarding available Cottage Home Dwelling Units and purchasing opportunities will be provided by Anne Arundel County and ACDS as developments are approved and constructed on ACDS' website (see link above). **As of the date of these FAQs, there are no Cottage Home Developments in process.**

What is a Cottage Home Dwelling Unit and a Cottage Home Development?

A Cottage Home Dwelling Unit is a detached dwelling unit in a Cottage Home Development used as a principal residence that:

- Contains no more than 800 square feet of floor area;
- Is built on a permanent foundation; and
- Is constructed in accordance with all applicable building, design, and safety codes.

A Cottage Home Development:

- Contains at least 10 Cottage Home Dwelling Units;
- Must be located in the following zoning districts and contain less than the maximum number of dwelling units permitted by zoning district:
    - **R1** – up to 8 dwelling units per acre
    - **R2** - up to 12 dwelling units per acre
    - **R5** - up to 15 dwelling units per acre
    - **R10** – up to 20 dwelling units per acre
    - **C2** – up to 20 dwelling units per acre
    - **C3** – up to 20 dwelling units per acre
    - **W1** – up to 10 dwelling units per acre
    - **MXD-V** – up to 7 dwelling units per acre
    - **MXD-G** – up to 10 dwelling units per acre
    - **MXD-N** – up to 15 dwelling units per acre;
- Is connected to public water and public sewer systems;
- May include separate lots for each cottage home, or may be under a condominium form of ownership and not be subdivided, in which case, each Cottage Home Dwelling Unit within a Cottage Home Development

must be located on a discrete area of land that is at least 2,000 square feet in area and at least 30 feet in width;
- Must have a homeowners or condominium association to maintain open space and community amenities;
- Must be restricted to occupancy by eligible households (see below);
- Must include one parking space per Cottage Home Dwelling Unit.

Who is eligible to purchase a Cottage Home Dwelling Unit?

To be eligible to purchase a Cottage Home Dwelling Unit, a household must meet the income requirements established by the Cottage Home legislation, which is a household income that does not exceed 100% of the Area Median Income (AMI), adjusted for household size. Income limits are updated annually based on figures published by the U.S. Department of Housing and Urban Development (HUD) and are posted annually to ACDS' website. As of the date of these FAQs, these income limits are:

Household size	1 person	2 person	3 person	4 person
Income Limit	$93,500	$106,813	$120,188	$133,500

Prior to purchasing a Cottage Home Dwelling Unit, a household must obtain a Certificate of Eligibility from ACDS confirming the household's income meets the above requirements. Information on how to obtain a Certificate of Eligibility will be posted to ACDS' website.

What is the cost to purchase a Cottage Home Dwelling Unit?

Cottage Home Dwelling Units will be priced at a cost affordable to households earning 80% of AMI, adjusted for household size, and taking into account household income, projected mortgage rates, mortgage insurance, homeowner association fees and other costs of homeownership. ACDS will, at least annually, establish the price to purchase a Cottage Home Dwelling Unit and post the policy to the ACDS website. The current price policy is available on the ACDS website.

Are there occupancy restrictions after purchase?

Yes. Cottage Home Dwelling Units are intended to serve income-eligible households. The units will be encumbered by deed restrictions which will restrict initial sales to income-eligible households. In addition, if an original income-eligible purchaser transfers ownership within the first five years after purchase, the new buyer must also

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meet the applicable income requirements and obtain a Certificate of Eligibility from ACDS as noted above.

Can a Cottage Home Dwelling Unit be rented?

The Cottage Home Development Act specifically prohibits Cottage Home Dwelling Units from being used as short-term residential rental properties at any time. A "short-term residential rental" is the use or occupancy, facilitated by a hosting platform in exchange for rent, of all or part of a dwelling unit to provide accommodations to transient guests for no more than 120 consecutive days in a calendar year. After the initial five-year homeownership and occupancy period noted above, Cottage Home Dwelling Units may be rented without regard to income limit as long-term rentals (i.e. longer than 4 months and not as short term residential rentals).

Do Cottage Home Developments have to be connected to public water and sewer?

Yes. All Cottage Home Developments are required to be connected to both public water and public sewer systems.

How are these water and sewer facilities maintained?

If a Cottage Home Development is subject to a condominium form of ownership, the water and sewer utilities located within the property lines of the Cottage Home Development shall be privately owned and maintained, and the County will have no maintenance responsibility beyond the property line. If the Cottage Home Development is established as a subdivision with separate lots for each dwelling unit, all water and sewer utilities must comply with applicable County standards.

Are there special road access requirements for Cottage Home Developments?

Yes. For Cottage Home Developments located in the R1 or R2 zoning districts, vehicular access to the development must be provided directly from a principal arterial road or a roadway with a higher classification. There are no special road access requirements in any other zoning districts where Cottage Home Developments are otherwise permitted.

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Will Cottage Home Developments include common amenities?

Cottage Home Developments are required to include a homeowners association or a condominium association to maintain open areas and common amenities, but the particular amenities beyond open areas and other Code requirements are up to the developer to determine and provide.

Will Cottage Home Developments be subject to other County regulations?

Yes, all County Code requirements related to subdivision and development, zoning, building and grading permits, and other relevant Code sections are applicable to Cottage Home Developments unless expressly stated otherwise in the Code. Bulk regulations and design standards relating to lot size, setbacks for principal and accessory structures, spacing between structures, height limitations, open areas and recreation areas, parking areas, and community amenities for Cottage Home Developments will be proposed by the developer in a submittal of design standards and must be approved by OPZ.

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