

WORKFORCE HOUSING DEVELOPMENT AGREEMENT

THIS WORKFORCE HOUSING DEVELOPMENT AGREEMENT is entered into this ____ day of _____, 202__, by and between _____ (“Developer”) and ANNE ARUNDEL COUNTY, MARYLAND (“County”).

WHEREAS, Developer is in the process of developing a site in the County for residential development, known as _____, as more particularly described in a deed recorded among the Land Records of Anne Arundel County in Liber _____, folio _____ (the “Property”); and

WHEREAS, the County has enacted various legislation, most recently County Bill 54-19, 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 (“Workforce Housing”); and

WHEREAS, Developer wishes to include Workforce Housing units in the proposed development on the Property, and enters 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 Developer’s compliance with the conditional use requirements of § 18-10-162 (as amended) and to assist the County and Arundel Community Development Services, Inc., (“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 § 18-10-162 of the County Code.

Homeownership Units

2. To qualify as Workforce Housing, Developer 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 (“HUD”).

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 the “Technical Guide for Determining Income and Allowances for the HOME Program”, Third Edition, January 2005.

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, as defined by ACDS.

5. All deeds for home ownership units on the Property shall contain a provision that the sale and any resale 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 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 defined 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; and

(d) the interior paint and floor coverings must be in like new condition.

Rental Units

7. To qualify as Workforce Housing, Developer 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.

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 the "Technical Guide for Determining Income and Allowances for the HOME Program", Third Edition, January 2005.

9. For a period of no less than thirty (30) years from the date of the original lease of the unit, any subsequent lessee or sub-lessee of a rental units on the Property shall satisfy the same income eligibility requirements as required for the original lessee ("Lease Control Period"). 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.

10. The rent limits for the Workforce Housing rental units on the Property shall be equal to 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 50% 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.

11. The restrictions on home ownership and rental units on the Property contained herein and required by § 18-10-162 shall be imposed upon the Property by execution by the parties 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 covenants shall provide that the County may enforce any breach of the covenants by the Developer, or any 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, or other exempted fees or charges, shall become due and owing upon a breach of the occupancy restrictions for any ownership or lease units that is not cured within 30 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. Single family, detached, duplex, semi-detached, and townhouse Workforce Housing units must 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 be comparable in quality and capacity to market rate units.

13. Developer 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 Developer'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, 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 requirements, including, but not limited to, floor plans with dimensions, square footage, and number of bedrooms; site plans showing the 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 Workforce Housing dwelling units must be noted on the record subdivision plat or site development plan, as applicable, and a covenant recorded in the County Land Records.

16. Prior to application for a building permit, the 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 the Developer with a certification of compliance which shall be included as part of the building permit application. No building permit may be 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 Developer.

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

19. Developer agrees 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 § 18-10-162, 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 Developer obtains the initial building permit within said three years, this Agreement shall remain in effect until the final certificate of occupancy is issued. The County may terminate this Agreement and revoke all issued permits upon the Developer's failure to adhere to the construction schedule, if any such failure is not cured within forty-five (45) days, or a material breach of the terms hereof. In the event of a termination of this Agreement by the County, any benefits accruing to the Developer based on the development of Workforce Housing, such as impact fee credits, adequate public facilities vesting, utility credits, or local tax credits, shall be immediately terminated and any amounts then due and owing as a result of said termination shall be due immediately from the Developer, and may be collected by the County pursuant to § 1-8-101 of the County Code.

[DEVELOPER]

By: Name:
Title:

ANNE ARUNDEL COUNTY,
MARYLAND

By: Matthew J. Power
Chief Administrative Officer

APPROVED FOR FORM AND LEGAL SUFFICIENCY:

Gregory J. Swain
County Attorney

Date