Essential Worker Housing Access Act

Bill 78-23

County Council Worksession
October 12, 2023

ANNE ARUNDEL COUNTY
OFFICE OF THE COUNTY EXECUTIVE

Housing Crisis

Change in Median Rent
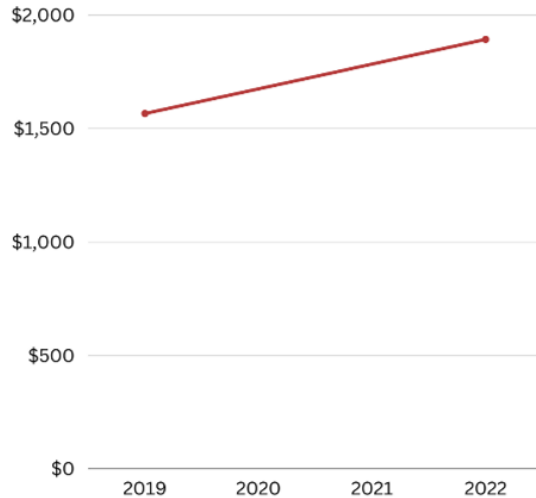
Rental prices have risen dramatically over the last 3 years from $1,566 per month in 2019 to $1,893 by the end of 2022.

Housing Crisis

According to the Anne Arundel County
Rental Housing Needs Assessment

12,000+

rental units are needed to address the shortage of affordable housing in Anne Arundel County.
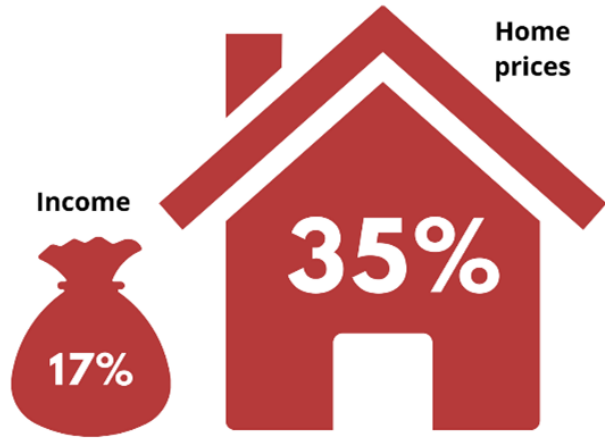
Housing Crisis

The Housing Commission of Anne Arundel County has

MORE THAN **31,000** households on the waiting list for housing.

Housing Crisis

From 2017 to 2022, median home prices rose by 35%, while median household income only rose by 17.38%

Making Progress in Anne Arundel County

Over the last 5 years, we have taken steps to address the Housing Crisis:

▶ Fair Housing Legislation

▶ Workforce Housing Zoning Legislation

▶ PILOTs for Affordable Housing

▶ The Housing Trust Fund

▶ Councilwoman Rodvien's ADU legislation

▶ School Adequate Facilities Reform

Bill 78-23 is another tool to tackle housing affordability.

The Best Place – For All

Creating the Essential Worker Housing Access Act

▶ We gathered a large group of stakeholders including county staff, affordable housing advocates, and members from the development community.

▶ That group met several times but was interrupted by COVID.

▶ Based on that work a draft was created this summer and sent out to a large group of stakeholders and interested parties.

▶ Feedback was collected on a draft that was circulated in the beginning of August.

▶ That feedback was analyzed and the bill before you is the County Executive's proposal, which incorporates many of the suggestions that were submitted.

Essential Worker Housing Access Act

Often called a Moderately Priced Dwelling Unit or Inclusionary Zoning law

▶ How it works

    ▶ A percentage of new development is set aside for essential worker housing

    ▶ Those units are then sold or rented to qualified residents

    ▶ The units are required to remain set aside for essential working housing for a specified period of time
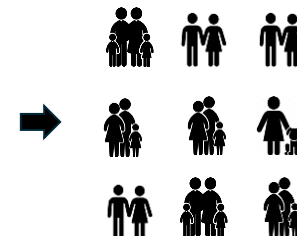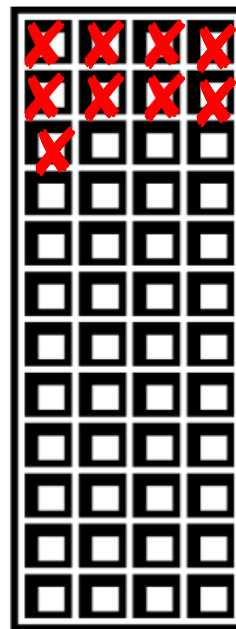
Proven Program
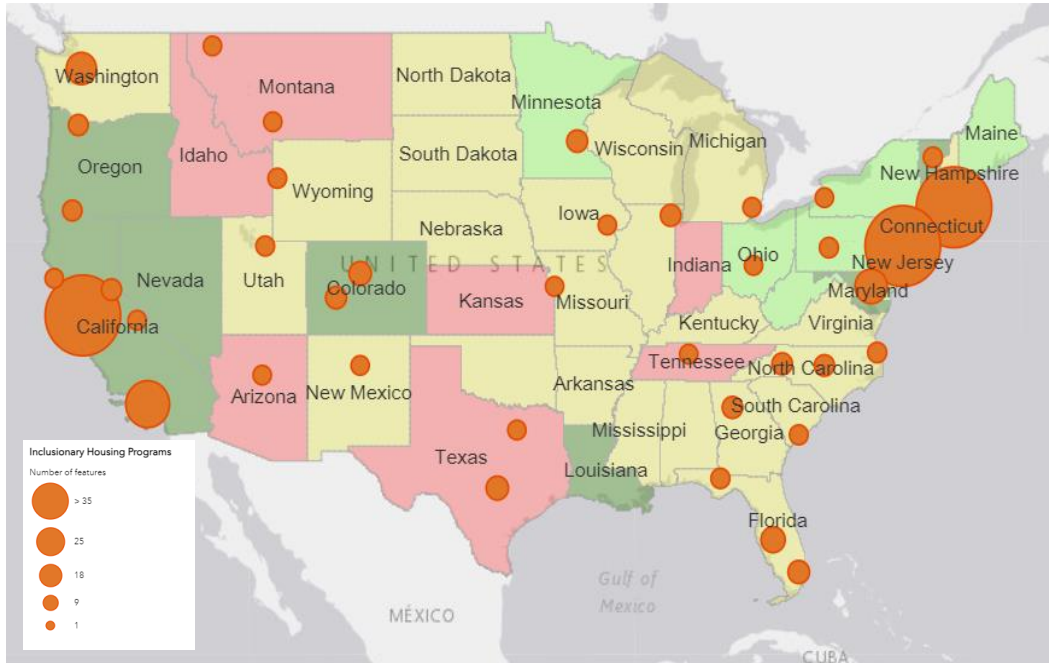
Over 700 Jurisdictions across the country have some form of inclusionary zoning law, including:

- The City of Annapolis
- The City of Frederick
- Howard County
- Frederick County
- Montgomery County
- Charles County
- Queen Anne's County
- City of Gaithersburg
- Baltimore City

78-23 Key Provisions

▶ Development Size

1 - 9 Units	Not Required
10 - 19 Units	Required but under certain conditions may use a Fee in Lieu option
20+ Units	Must Provide MPDUs

▶ The requirement does not apply to developments financed under local, state or federal programs (such as HUD or LIHTC); Workforce Housing developments or Housing for the Elderly of Moderate Means

▶ How many MPDUs

Home Ownership	10% of the Development
Rental Development	15% of the Development

78-23 Key Provisions

Eligibility:

▶ ACDS will qualify applicants

▶ Income limits:

Rental	75% AMI or Below ($88,735, Family of 4)
Homeownership	100% AMI or Below ($118,313 for a Family of 4)

▶ These thresholds can be adjusted 2x a year

▶ In addition to meeting the income limits noted above to qualify you must not have owned a home in last three years and either (1) be a County/City of Annapolis resident and/or employed in the City or County for the last 12 months; OR (2) be currently employed by Anne Arundel County, City of Annapolis, or Anne Arundel County Public Schools.

78-23 Key Provisions

- Similar to Workforce and Elderly of Moderate Means Housing the proposal provides key cost incentives for the production of the units
  - Impact Fees are waived for the MPDUs in the development
  - A 50% reduction in Capital Facility Connection Charges for water and wastewater is provided for the MPDUs in the development.
- If there are no eligible buyers, ACDS and HCAAC have right of first option to purchase. If they decline, the units can be sold or rented to non-eligible buyers (over income) at the MPDU price, but the same resale restrictions would apply
- A density bonus is provided
- The law is effective July 1, 2024 to implement, allocate for staffing needs, and allow the market to prepare

Thank you!

Questions?