

SUMMARY OF WORKFORCE HOUSING BILL

Anne Arundel County Bill # 70-04

Sept 2004

1. 10% of units must be Workforce Housing Units (WHU's)
 - a. Mandatory for 30 or more units
 - b. Age restricted developments and development under 10 units are exempt
 - c. 10 to 29 units either pay fee into Housing Initiative Fund or build
 - d. Includes new developments, conversions (condo, co-op, change of use, etc.), or rehabilitations
 - e. WHU's are to be mixed in and spread throughout a development
 - f. Control period of 30 years:
 - i. plus period that runs through first sale of "for sale" unit; and
 - ii. that renews if unit is sold for the first time within 20 years.
 - g. Requires recorded agreement that is in effect for the control period, runs with the land, and is noted on any final subdivision plat
2. Eligibility
 - a. Sale or rental units affordable at 80% of Baltimore Statistical Metropolitan Area (SMA) median income, adjusted for family size
 - b. Excludes those who have owned a house within prior 5 years, unless waived for good cause
 - c. Evidence of full time employment in AA County and intent to occupy as primary residence
3. Development off-sets
 - a. 15% density bonus for developments of 30 or more units
 - b. 20% density bonus for developments between 10 and 29 units
 - c. Reduction in certain minimum lot sizes and setbacks
 - d. Allows mixture of various types of workforce housing units including single-family, semi-detached or duplex, townhouse, or multi-family units, and clustering of units in all developments
 - e. Allows reduction in certain interior finishes and amenities
 - f. Exemption from impact fees
4. Off-site alternatives to providing on-site Workforce Housing Units
 - a. WHU's may be provided off-site at 1.5 times the on-site units
 - b. Rehabilitation of existing housing units as WHU's may be provided at 2 times the on-site units
 - c. In exceptional circumstances, a fee may be paid into the Housing Initiative Fund in lieu of providing required units as follows.
 - i. For sale unit, initial sale price of comparable WHU minus profit
 - ii. For rental unit, difference between maximum permitted annual rental and actual rental income times 30
 - d. A combination of a, b, and c above is permitted
5. Sale and Rental
 - a. Sale price or rental rate set to be affordable to eligible persons (80% of median income adjusted for family size for the SMA)
 - b. Sale price or rental rate subject to control period
 - c. Within control period, sale price is equal to sale price plus increase in CPI, fair market value of improvements made by homeowner, and reasonable sales commission

- d. After control period, 50% of sale price minus prior sale price, fair market value of improvements, and sales commission is paid into Housing Initiative Fund
 - e. Within control period, if a person becomes ineligible and stays in unit beyond current lease term, person pays into the Housing Initiative Fund the difference between rate for an eligible person and market rate
6. Housing Initiative Fund
- a. Administered by the community service entity that is authorized to administer the County's workforce housing program
 - b. Utilizes funds appropriated for workforce housing program:
 - i. to provide WHU's through construction, rehabilitation, purchase, or participation in other programs that provide WHU's; and
 - ii. to provide loans and/or leverage funding

For more information, please contact:

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