

Arundel Community Development Services, Inc.

Bill 72-24

**Anne Arundel County Housing Attainability Act
October 15, 2024**

**PROGRAM POLICY
ESTABLISHING RENTAL RATES AND HOUSEHOLD INCOME LIMITS FOR
RENTAL MODERATELY PRICED DWELLING UNITS**

Effective July 1, 2025

The following are the requirements for establishing the Rental Rates and Income Limits of Rental Units subject to the Anne Arundel County Moderately Priced Dwelling Unit (MPDU) Program.

1. GROSS HOUSEHOLD INCOME LIMIT

Rental MPDUs must be made available to households with a Gross Household Income that does not exceed 75% of the area median income (AMI) adjusted for household size for the Baltimore Metropolitan Statistical Area. [17-12-106(A)(2)(I)].

The Gross Household Income limits will be calculated by Arundel Community Development Services, Inc. (ACDS) each year based upon the AMI limits published annually by the U.S. Department of Housing and Urban Development (HUD). The Gross Household Income limits are detailed in the table below:

| Household Size | Maximum Annual Household Income (75% AMI) (Effective Date: June 1, 2025) |
|-----------------------|---|
| 1 | \$68,391 |
| 2 | \$78,188 |
| 3 | \$87,938 |
| 4 | \$97,688 |
| 5 | \$105,516 |
| 6 | \$113,344 |

The Property Owner/Property Manager is responsible for collecting information from a prospective household to initially determine income eligibility for a rental MPDU.

A household is eligible to initially rent an MPDU if ACDS has issued a valid Certificate of Eligibility that the household's Gross Household Income meets MPDU program requirements.

[17-12-101(11) and (12)]. The Certificate of Eligibility issued by ACDS must be dated within 60 days before the start of the lease term for a rental MPDU. [17-12-106(B)].

The Property Owner/Property Manager will be responsible for submitting to ACDS documentation of household eligibility to occupy a rental MPDU at least ten (10) business days prior to the start of the lease term. The documentation must be provided on forms and in the format prescribed by ACDS and will be reviewed by ACDS.

If the submitted documentation is complete, ACDS will issue a Certificate of Eligibility (attached as Exhibit A) to the Property Owner/Property Manager for the household to occupy the rental MPDU. If the submitted documentation is incomplete, ACDS will communicate deficiencies in writing to the Property Owner/Property Manager.

2. MPDU RENTAL RATE – INITIAL AND LEASE RENEWALS

The Rental Rate of MPDUs will be set annually by ACDS within 30 days of AMI limits published annually by the U.S. Department of Housing and Urban Development. [17-12-109(A)(1)]. The Rental Rates established by ACDS on an annual basis will be applicable for the initial rental of an MPDU, and all renewals of the lease.

The allowable Rental Rate of MPDUs will vary based on the number of bedrooms and is subject to an absolute cap. The cap on the Rental Rate of MPDUs is the rent that a 4-person household earning 75% of AMI can afford as detailed in the table below [17-12-109(A)(3)]:

| Maximum MPDU Rental Rate (Effective Date: June 1, 2025) | | |
|--|---|----------|
| A | 75% AMI for 4-person household (Annual) | \$97,688 |
| B | Monthly Income for 4-person household at 75% AMI (Row A / 12) | \$8,141 |
| C | Maximum MPDU Rent per Month based on 30% Affordability Standard (Row B * 30%) | \$2,442 |

Although the Rental Rate of MPDUs is subject to an absolute cap, the allowable household income for a prospective tenant to qualify for a rental MPDU is based on the actual size of the household as detailed in the table in Section 1: Gross Household Income, above.

In determining the Rental Rate of MPDUs, no adjustment is made for utilities, whether paid by the tenant or the Property Owner/Property Manager. However, the Property Owner/Property Manager must ensure that occupants of rental MPDUs are not subject to a utility payment structure that is different from the occupants of market rate units.

The table below summarizes the maximum allowable Rental MPDU Rate based on the number of bedrooms, subject to the absolute cap detailed above.

| MPDU Rental Rate by Bedroom Type (Effective Date: June 1, 2025) | | | | |
|--|----------------|----------------|----------------|------------------------|
| Unit Size | 0 BR | 1 BR | 2 BR | 3 BR or Greater |
| Imputed Household Size | 1 | 1.5 | 3 | 4 |
| Imputed Maximum Annual Gross Income | \$68,391 | \$73,255 | \$87,938 | \$97,688 |
| Imputed Monthly Gross Income | \$5,699 | \$6,105 | \$7,328 | \$8,141 |
| MPDU Rental Rate = 30% of Imputed Monthly Gross Income | \$1,710 | \$1,832 | \$2,198 | \$2,442 |

The MPDU Rental Rate summarized in the table above is the maximum rent that may be charged for an MPDU Rental unit. An owner may elect to charge a rent lower than the maximum MPDU Rental Rate.

Notwithstanding anything in this policy, the maximum MPDU Rental Rate shall not exceed the rental rates for market rate units in any development.

The following methodology is used to calculate the Rental MPDU Rates in the table above:

The Efficiency, One-Bedroom and Two-Bedroom Rental Rate for MPDUs is based on one and one half (1½) people per bedroom for units as follows:

- The rent for an Efficiency unit is based on the income for a one-person household earning 75% of AMI.
- The rent for a One-Bedroom unit is based on the midpoint between the income for a one-person household and a two-person household earning 75% of AMI (e.g. 1.5 people).
- The rent for a Two-Bedroom unit is based on the income for a three-person household earning 75% of AMI.

The Rental Rate for MPDUs with Three-Bedrooms or more is subject to the absolute cap described above and is based on the income for a 4-person household earning 75% of AMI.

Based on the appropriate maximum income at 75% of AMI, the Rental Rate for MPDUs is determined by using an Affordability Standard of 30% of monthly income dedicated to rent and then rounded to the nearest whole number. This determines the monthly Rental MPDU Rate based on bedroom size.

3. FEES

Property Owners/Property Managers are limited in charging fees for MPDU Rental Units and may only charge fees as detailed below and in accordance with Maryland Law:

1. Application Fee - In accordance with Section 8-213 of the Real Property Article, Annotated Code of Maryland, a landlord of a regulated rental unit must not retain a fee or charge a fee of more than the landlord's actual cost for a credit check and other expenses arising out of the application for rental of the regulated rental unit.
2. Late Fee – Late fees cannot exceed 5% of the outstanding rent owed by the tenant.
3. Pet Fee – The maximum fee is \$25 per month per pet, and a pet deposit may not exceed \$300. The pet deposit must be returned in full within 45 days after the termination of the tenancy unless costs are incurred by the landlord as a result of damages relating to the presence of the pet(s). If any portion of the pet deposit is withheld, the landlord must present by first-class mail directed to the last known address of the tenant, within 45 days after the termination of the tenancy, a written list of the damages claimed under this section with an itemized statement and proof of the cost incurred. Service and support animals are not considered pets, and no deposit or fee may be charged for such animals.
4. Lost Key Fee – The maximum fee is \$25 plus the actual duplication or replacement cost.
5. Lock-Out Fee – The maximum fee is \$25. In the event the landlord engages a third-party service provider for the lockout service, the landlord may charge the tenant a fee not exceeding the actual charge incurred for the service. The landlord must provide a tenant with verifiable documented evidence detailing the actual costs associated with the service.
6. Secure Storage Fee - No fee may be charged for storage areas located within or attached to or associated with the MPDU Rental Unit except in cases where limited storage space is available in the development and the same fees are charged to market rate and MPDU tenants.
7. Internet or Cable Television – A tenant may not be required to pay an internet or cable television fee. If a tenant voluntarily opts for either service, the landlord must bill the tenant no more than the amount that the internet or cable television provider charges the landlord, without any additional fees. If multiple tenants opt into the service, the landlord must divide the cost to the landlord of the internet or cable television equally by the number of units opting into the service. The fee cannot include any common area services.

8. Motor Vehicle or Motorcycle Parking Fee - While it is expected that tenants will not be required to pay a fee for parking, there are situations where a parking fee is required. In such instances, the owner can only charge a fee for non-structured automobile parking to MPDU tenants if market-rate households are also charged a fee for non-structured automobile parking. Structured parking, garage or other enclosed spaces, or unstructured parking where a fee is charged to all tenant households, may be offered as an option to the MPDU occupants at the monthly rate normally charged by the owner. At a minimum, the owner must make parking available to MPDU households according to the number of parking spaces approved for the MPDUs at the time of final site plan approval. The amount of the fee must not exceed 10% of the lowest base rent for an MPDU rental unit at the property.
9. Laundry Washer and Dryer Equipment - No fee can be charged for laundry washer and dryer equipment in an MPDU rental unit unless the market rate units are also charged a fee. The fee must be limited to the same fee that the market rate apartments are charged, and the fee must be in keeping with reasonable commercial washer and dryer fee amounts.

Exceptions - A landlord may charge fees for unregulated optional services, not listed above and opted into by the tenant. For purposes of this Section an optional service does not include a service required to ensure unit access, maintenance, or lease compliance.

4. REVIEW OF MPDU RENTAL RATES

Arundel Community Development Services, Inc. will annually review Income Eligibility and MPDU Rental Rates for MPDU units. [17-12-109(C)]. This review will be conducted in cooperation and in conjunction with the Property Owner and/or Property Manager.

A household whose income increases over the MPDU Maximum Annual Gross Income limits detailed above may continue to reside in the MPDU rental unit [17-12-109 (C)(2)]. At the end of the lease term, if the household income exceeds 120% of the AMI adjusted for household size, the landlord may increase the rent to market rate and the household may remain; however, the unit will no longer be considered an MPDU rental unit. The next available unit with a comparable bedroom size on the property must, however, be designated as an MPDU rental unit. Alternatively, if the household chooses to vacate the unit, the unit will remain an MPDU rental unit and must be occupied by an income-eligible household.

EFFECTIVE DATE

The effective date of this Policy shall be July 1, 2025.



Erin Karpewicz, Chief Executive Officer

6/2/2025

Date

Exhibit A

Certificate of Eligibility **Moderately Priced Dwelling Unit - Rental** **Anne Arundel County Moderately Priced Dwelling Unit (MPDU) Program**

MPDU Rental Property: _____

Owner/Manager: _____

MPDU Renter Household: _____

This Certificate of Eligibility must be completed for each renter household (“MPDU Renter Household”) seeking to occupy a rental unit subject to the Anne Arundel County Moderately Priced Dwelling Unit Program (“MPDU Rental Unit”).

Approval of this Certificate of Eligibility by Arundel Community Development Services (“ACDS”) is required prior to the Renter Household taking occupancy of an MPDU Rental Unit. The Owner/Manager and the MPDU Renter Household must comply with the requirements of the Anne Arundel County MPDU Rental Program Guide for Leasing Agent in completing this Certificate of Eligibility.

This Certificate of Eligibility is valid for three (3) years from the date approved by ACDS [17-12-106(B)]. Additionally, within 60 days before the MPDU Renter Household takes occupancy of a MPDU unit, the Owner/Manager of the MPDU Rental Unit must review the eligibility of the MPDU Renter Household to ensure that income eligibility guidelines continue to be met [17-12-106(B)].

The Owner/Manager and MPDU Renter Household hereby certify:

1. The Owner/Manager has completed the required review outlined in the Anne Arundel County MPDU Rental Program Guide for Leasing Agents and determined that the MPDU Renter Household’s Income adjusted for size does not exceed 75% of the Area Median Income for the Baltimore Metropolitan Statistical Area [17-12-106(A)(2)(I)]. The table below provides a summary of the household income review completed by the Owner/Manager:

| Unit Type (No. BRs) | Household Size (Persons) | Annual Household Income (\$) | ACDS Use Only |
|--------------------------------|-------------------------------------|---|----------------------|
| | | | |

2. The Owner/Manager has completed the required review outlined in the Anne Arundel County MPDU Rental Program Guide for Leasing Agents and determined that at least one adult member of the MPDU Renter Household is a resident of Anne Arundel County as of the date of application for rental housing or has been employed in Anne Arundel County for at least six (6) months prior to the date of the application for rental housing [17-12-106(A)(4)].
3. The MPDU Renter Household certifies that no adult member of the MPDU Renter Household has owned any residential real estate during the three (3) year period prior to the date of the application for rental housing. A waiver of this requirement by ACDS may be requested by submitting a request to (mpdu@acdsinc.org) [17-12-106(A)(5)].
4. The MPDU Renter Household intends to occupy the MPDU Rental Unit as a primary residence and will not lease or sublease the MPDU Rental Unit to any other person or entity [17-12-106(A)(6)].
5. The Owner/Manager understands and agrees that ACDS shall have the right to request and review documentation for review in furtherance of the compliance duties that ACDS must perform under the MPDU Program. The Owner/Manager will cooperate with ACDS in performance of these compliance duties.

Submitted and Certified by Owner/Manager and MPDU Renter Household on _____ day of _____, 20____ below:

Owner/Manager

MPDU Renter Household

Approved by ACDS

Submit this form to:
ARUNDEL COMMUNITY DEVELOPMENT SERVICES, INC.
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Annapolis, Maryland 21401
E-Mail: mpdu@acdsinc.org