



Source: Capital Gazette

Best Practice: Inclusionary Zoning

Annapolis, Anne Arundel County

Population Estimate (7/1/19): 39,223

Partners: City of Annapolis and both private and public developers

Key Takeaway: *By requiring developers of new residential projects to provide moderately priced dwelling units (MPDUs) as a part of the approval process, the city ensures that housing options continue to be available for low- and moderate-income residents.*

Description

The Annapolis City Council passed the [Moderately Priced Dwelling Unit Ordinance](#) in 2004 to help ensure the continued availability of affordable housing options for current and future residents. It requires new subdivisions of 10 or more units to include at least 15% moderately priced dwelling units (MPDUs). However, the required percentage may vary based on the approved development intensity. As of 2018, the median household income of an Annapolis resident is \$83,948. Between 2017 and 2018 median household income grew from \$81,143 to \$83,948.

To be eligible to purchase or rent through the MPDU program, an individual/household must:

- Have an income that is 100% or less than the median family income for the Baltimore Metropolitan Statistical Area; or
- Be a city resident or employed within the city limits for at least the past 12 months; or
- Be a city of Annapolis employee beyond their probationary period; or
- Be a teacher or staff member in a school that is included in the Annapolis Senior High School district; or
- Be a person who has been employed within the Naval Academy or the Annapolis Naval Base for at least the past 12 months; or
- Be resident of Anne Arundel County and have a disability.

To learn more about the program, including income limitations and the application process, please visit the City of Annapolis's [MPDU Program Information](#) webpage.

Project Details

The city sets MPDU sales prices annually, not to exceed the affordability for a household at 80% of the median income for the Baltimore Metropolitan Statistical Area. Rental rates are capped at 100% of [HUD's fair market rents](#) if the property owner pays all utilities, and at 80% of fair market rents if the property owner does not pay all utilities. [Section 20.30 of the Annapolis](#)

[Code](#) outlines the types of residential developments that do not require MPDUs, the components of a developer-city agreement, and construction requirements. For sale MPDUs must be income restricted for 30 years following the initial sale, while rental units must be income restricted for 99 years following initial rental. The ordinance also requires that MPDU units are evenly distributed throughout the development, visually comparable to market rate units, and that they include a variety of bedroom counts. Density bonuses are available for for-sale housing of 15% of the maximum amount permitted in a zone, and 10% of the maximum amount permitted in a zone for rental housing.

As noted in the city's 2018 Sustainable Communities renewal application, the last seven for sale MPDU properties have been purchased. These properties included one single family home at Griscom Square, two condominiums in Sailors Quay, and four townhomes in Boucher Place. Uptown Murray Hill was completed in 2013 and included three townhomes. Over the past 15 years, 28 moderately priced dwelling units have been built, with 18 of those rentals, and the other 10 single family homes for sale. In the city's most recent renewal application, it expressed a desire to improve the effectiveness of the MDPU program, which it did in 2019 by increasing the number of MPDUs and the number of years of price controls. The city also removed the fee in lieu option.

Developers who have questions about the program can go directly to the [city's website](#). The program's minimum threshold and percentage of required MPDUs apply to any new residential development in the city with ten units or more. The Director of Planning and Zoning approves developments covered by the program, and with the assistance of Arundel Community Development Services, Department of Planning and Zoning staff grant and monitor certificates of eligibility to ownership and rental housing applicants.

Connection to 2009 Comprehensive Plan

The [2009 Comprehensive Plan](#) describes the MPDU program in detail in the Summary of Housing Existing Conditions, Chapter 8 – Housing (page 107).

Funding Sources

The MPDU program is not funded directly, but developers and investors are offered incentives and density bonuses when they participate in the program, which makes it more desirable to potential investors and developers.

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