



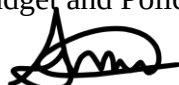
FISCAL AND POLICY NOTE

October 15, 2025

TO: Colette R. Gresham, Esq.
Acting Council Administrator

Karen T. Zavakos, Esq.
Deputy Acting Council Administrator

THRU: Lavinia Baxter 
Senior Legislative Budget and Policy Analysis

FROM: Shalene Miller-Whye 
Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement
CB-075-2025 Moderately Priced Housing Program

CB-075-2025 (*proposed by: Vice Chair Oriadha*)

Assigned to the Planning, Housing and Economic Development Committee (PHED)

AN ACT CONCERNING HOUSING AND PROPERTY STANDARDS – MODERATELY PRICED HOUSING PROGRAM for the purpose of establishing a voluntary moderately-priced dwelling unit program; identifying developments eligible to participate in the program; requiring the minimum delivery of moderately-priced units; providing for a binding agreement between participants and the County; providing for alternative methods to comply with unit delivery requirements; setting forth development incentives for program participation; specifying the eligibility requirements for households seeking to purchase moderately-priced dwelling units; establishing the limitations on the sale and resale of moderately-priced units; providing for administrative regulations governing the program; requiring annual reporting on the program; and generally relating to housing development in Prince George's County.

Fiscal Summary

Direct Impact:

Expenditures: Significant additional administrative expenditures will be required for initial program implementation; recurring expenditures likely smaller.

Revenues: Some revenue increases are likely.

Indirect Impact:

There will likely be a mixed indirect impact.

Legislative Summary:

CB-075-2025,¹ proposed by Vice Chair Oriadha, was presented to the Council on September 16, 2025, and referred to the Planning, Housing, and Economic Development Committee. It would amend Subtitle 13, Housing and Property Standards, of the Prince George's County Code.

If enacted, CB-075-2025 would:

- Repeal and reenact with amendments to County Code sections 13-248-259
- Establish definitions of affordability period, area median income, moderately priced dwelling unit, and planning area.
- Require the Department of Housing and Community Development to operate the established Moderately Priced Housing Program
- Set eligibility requirements for developments within the MPDU program.
- Require MDPU agreements with details related to minimum participation and common ownership or control.
- Allow for the Director of the DHCD to approve alternative payment and location agreements.
- Provide for building incentives within MPDU agreements.
- Allow the program director to establish household eligibility standards, certification processes, and a waiting list.
- Provide for the sales of MDPU units, including establishing an affordability period as well as requirements related to initial sale prices and other details.
- In conjunction with the program director and the Planning Director, establish regulations and enforce program rules.
- Require a report to be published by the director by July 1 of each year.

Resource Personnel:

- Eric Irving, Fiscal and Legislative Attorney
- Tiffany Hannon, Chief of Staff, District 7

Current Law/Background:

Division 8 of the County Code, Sec. 13-247-, 13-252, 13-253² established the moderately priced housing program. This was to promote housing choices conveniently located in suitable living environments for all ages, income levels and family make-ups. This was established through CB-83-1990; however, there is no current activity associated with this program.

Through this, the Capturing Housing Opportunities in Communities Everywhere (CHOICE) Special Revenue Fund was established with a fund advisory board. Through this, it requires the following:

- a) There is hereby created the Capturing Housing Opportunities in Communities Everywhere ("CHOICE") Revenue Advisory Board.
- (b) The Board shall consist of seven (7) County residents who shall be appointed by the County Executive and confirmed by the County Council.
- (c) The Board shall be chaired by the Director. The remaining members shall consist of one (1) representative of each of the following: development community; financial community; a religious and a nonprofit organization concerned with the need for affordable housing; the Prince George's County Municipal Association; and a member from the community at large.
- (d) Except for the Chairman, the terms of the members shall be for three (3) years. Terms of the members shall be staggered. Members shall continue to serve until their successors are appointed and qualified.
- (e) The Board shall review and make recommendation to the County Executive and County Council concerning the purposes for which the revenues in the Capturing Housing Opportunities in Communities ("CHOICE") Special Revenue Fund may be used.

According to Sec.13-253, all proceeds of alternative compliance under this previous program were to be made to the CHOICE Special Revenue Fund, to be used by the Housing Authority for purposes consistent with the spirit of the program.

² [DIVISION 8. - MODERATELY PRICED HOUSING. | Code of Ordinances | Prince George's County, MD | Municode Library](#)

Discussion/Policy Analysis

Bill Provisions

Bill Provisions	CB-75-2025
Eligible Developments	Developments with 10 or more single-family dwelling units must submit preliminary plans, construction and development proposals, plans of conversion, and application permits for approval. A development containing 10 or more units should have all land in one location within the County.
Requirement to Build MDPUs: MDPU Agreement	Optional incentives are available through the program only for applicants who agree to provide at least 10% MDPUs of the market-rate units within the proposed development. All developments require an MDPU agreement with: (1) Details of the specific number, type, and location of MDPUs to be constructed; (2) Staging plan for construction of all dwelling units (time schedule approved by 1 Director) to ensure MDPUs are built at same rate as market units; (3) Requirement that each single-family MDPU have three or more bedrooms (unless requirement is waived by the Director in a subdivision with only two-bedroom market rate units); (4) Requirement that MDPUs be of similar floor area and architecturally similar in general exterior appearance and scale with market rate units in the development; (5) Requirement that applicant must comply with the requirements of this Division 7 and the agreement for the occupancy period; (6) Stipulation that the agreement runs with the land for the occupancy period; (7) Any other information the Director determines necessary to ensure applicant's compliance; and (8) Requirement that agreement be noted on the final subdivision plat and recorded in the land records of the County.
Alternative Compliance: Payment Agreements	Alternative payment agreements may be approved instead of building the required MDPUs in a proposed subdivision. Instead, a payment of 3% can be made to the CHOICE Special Revenue Fund. Alternative payment agreements may only be approved upon the following: (A) accepting payment will further the objective of providing a broad range of housing opportunities throughout the County; and (B) the required units will not be reasonably affordable to

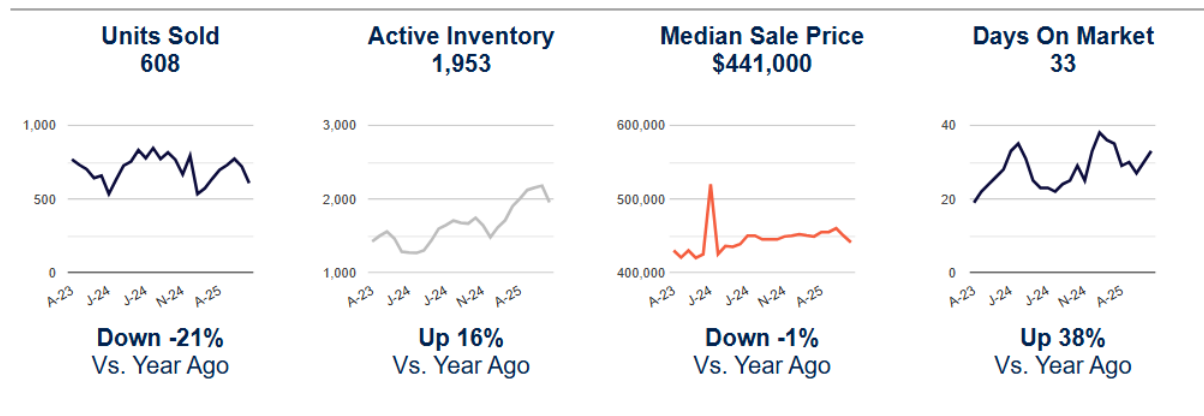
	eligible purchasers under the program because of high common ownership community fees. The CHOICE Special Revenue Fund must only be used to buy, build or preserve MDPUs in the same Planning Area as the development for which the payment was made.
Alternative Compliance: Location Agreements	Alternative location agreements may be approved to provide MDPUs at another location instead of building some or all of the required MDPUs on-site. This requires that: (A) The public benefit of locating the MDPUs at the proposed alternative location outweighs the value of locating the MDPUs in each subdivision throughout the County. (B) It will further the objective of providing a broad range of housing opportunities throughout the County. (C) The alternative location agreement will increase the number of MDPUs. This will require that the alternative location be in the same planning area as the proposed market-rate units unless it is in a designated planning area with at least 45% of the US Census Tract having a median household income of at least 150% of the County-wide median.
Building Incentives	The available incentives include: a density bonus, impact or permit fee reduction, expedited processing, and optional zoning provisions. These incentives are only available to applicants in the development where the MDPUs are proposed for construction. Density Bonus: Bonus of 20% above the maximum amount permitted in a zone for for-sale housing. Fee Reduction: Up to 50% of the following fees, including the Detailed site plan application, preliminary plan of subdivision application, and building permit fee, can be waived. Expedited Application Fee: Applicants may receive expedited review of their final plat approval and building permit approval.

Household Eligibility and Certification: Waiting List	The Department of Housing and Community Development is responsible for setting and revising household eligibility standards. These standards will include specifying moderate income levels by household size as they relate to the area median income (AMI). The director may certify households eligible to participate, and certifications will be valid for 3 years. Eligibility requirements include: (A) Household income does not exceed 100% of the AMI (B) Proof that the household qualifies for and can obtain financing for the MDPU (C) One household member is a resident of the County for at least a year prior to the application (D) Proof that no adult member of the household has owned any residential property during the prior three years (E) Intent to occupy the MDPU as the primary residence. A household may maintain continued ownership of MDPU even if the household's income changes beyond eligibility standards. The director shall establish a waiting list if more eligible households wish to purchase an MDPU than are available.
MDPU Sales: Affordability Period	(1) The affordability period for MPDUs is 30 years and begins on the date of original sale. If an MDPU is sold within thirty (30) years after its original sale, it must be treated as a new sale, and a new affordability period must begin on the date of the sale unless the MDPU is bought and resold by a government agency. (2) Rentals are prohibited during the affordability period. The director may allow temporary rentals under regulations, which may include maximum rental levels. Any unauthorized rent must be paid to the CHOICE Special Revenue Fund, and any unpaid amount after 90 days is grounds for a lien against the MDPU. (3) During the control period, a covenant must be established that any deed, mortgage, or deed of trust must convey that it is a moderately priced dwelling unit or an interest in a moderately priced dwelling unit, which contains a covenant running with the land declaring that use, resale, and foreclosure of the unit are subject to the requirements set within the division.

MDPU Sales: Initial Sale	MDPUs must not be sold at prices exceeding the annual set price, to be made by the Director within 60 days of the publication of MWSA income limits by the U.S Department of Housing and Urban Development. The rate of affordability shall be set at of those earning 60% to 100% of the AMI and based on household sizes, with no more than 30% of the annual gross household income applied toward the cost of housing. MDPUs must only be sold to certified households. Resale of MDPUs during the affordability period may not be sold for a price greater than the original selling price unless: (A) A percentage of the MDPU's original selling price is equivalent to the increase in the cost of living since the MDPU was first sold. B) An allowance for capital improvements made to the MPDU between the date of the original sale and the date of resale, provided that the Director may disallow the value of costs solely attributable to the maintenance and upkeep of the MPDU, or for luxury items; (C) If approved by the Director, an allowance for closing costs which were not paid by the original seller, but which will be paid by the original buyer for the benefit of the later buyer; and (D) A reasonable sales commission. The selling of an MDPU within 30 years of the initial sale creates a new affordability period. In the event of a foreclosure or court-ordered sale, all MDPU covenants must be realigned, and a payment must be made to the CHOICE Special Revenue Fund. Waivers may be considered based on federal and state regulations. Bulk transfers are not prohibited within 30 years of the initial offering if the buyer is bound by all MDPU covenants and controls.
Appeals	Any person aggrieved by a denial, suspension or revocation of a building or occupancy permit or denial, suspension or revocation of approval of a preliminary plan of subdivision, development plan or site plan may appeal to the official, agency, board or other entity designated by law to hear such appeal.
Reporting	Each year on July 1, the Director must report to the County Executive and County Council the following: (a) Total number of MPDUs created, itemized by Council District and Zip Code; (b) Total contributions to the CHOICE Special Revenue Fund under an alternative payment agreement; (c) Total number of MPDUs provided under an alternative location agreement, itemized by Council District and Zip Code; and (d) Total number of households on the waiting list, itemized by Council District and Zip Code.

Policy Implications

As of August 2025, according to data provided by Long & Foster³, the Prince George's County housing market data represents the difference between August 2024 and August 2025 in the number of units sold. From August 2024 to August 25, there was a 16% decrease, demonstrating that the total number of units sold was down for the month compared to the year. Through this, the active inventory is up 16% to 1,953 units. The median home price is \$441,000, which is down by 1% from August 2024. Lastly, the average number of days on market is 33.



According to Redfin data⁴, in August 2021, the median sale price has increased by 12.9%, from \$390,000 to \$448,000. This demonstrates there is rapid and ongoing growth in the median sale price for homes.

Based on the Housing Opportunity for All, Comprehensive Housing Strategy (CHS) report⁵ Residents cited limited home ownership options as a concern and showed clear interest in additional support for homeownership. In targeted strategy #2 of the CHS report, to improve the quality of the County's housing supply, a targeted action includes expanding existing programs and financing tools to increase access to homeownership.

Department of Housing and Community Development

Prince George's County's Department of Housing and Community Development (DHCD) is currently conducting an inclusionary zoning (IZ) study which focuses on establishing IZ policies for rentals surrounding transit-oriented development. While this is not relating to for-sale homes, this demonstrates the importance of understanding the County's overall landscape and where developments for the proposed MDPU program may best placed in terms of equity, need and following the guidance of the Plan 2035 and the Comprehensive Housing Strategy.

³ [PRINCE GEORGE'S COUNTY HOUSING MARKET DATA](#)

⁴ [Prince George's County, MD Housing Market: House Prices & Trends | Redfin](#)

⁵ [pgccouncil.us/DocumentCenter/View/4043/Housing-Opportunity-for-All_-REPORT](#) (pg. 62,109)

Based on DHCD's findings, the establishment of this program would require:

1. Planning and implementation efforts to include the creation of policies
2. Publishing a program manual
3. Establishing rent and income limits through an industry aligned methodology
4. Establishing ad hoc technical assistance
5. Active communications
6. Long-term technical assistance
7. Ongoing legal assistance

Through this it would require startup costs as it relates to a feasibility study for determining program goals and the programs general framework. This would also require at least three (3) full-time employees.

Montgomery County, Maryland

Neighboring jurisdiction Montgomery County has long established its Moderately Priced Housing program, which has undergone various changes since its inception. Chapter 25A⁶ of the Montgomery County Code details the program requirements.

According to 25A.00.02.02, the MDPU program includes both the purchasing and renting of MDPU's within the program scope. As it relates to the sales of MDPU's, the Director of the Department sets the maximum incomes allowed under rental and purchase. The maximum income required for purchasing is set at 70% of the AMI for a household of four (4). Upon reaching the 70 percent AMI, it is multiplied by the adjustment factors below to determine the maximum income allowed by various household sizes.

Household Size	1	2	3	4	5	6	7	8
Adjustment Factor	.70	.80	.90	1.00	1.08	1.16	1.24	1.32

According to 25A.00.02.03, it provides for the requirement of payment to the Montgomery County Housing Initiative Fund (HIF). In the case of a proposed development between 11 and 19 dwelling units, instead of providing MDPU's, they must pay into HIF. As it relates solely to for-sale units, 0.5% of the Purchase Price of each dwelling unit must be collected at the settlement of each unit and forwarded to the County within three (3) business days of the recordation of the deed.

Montgomery County's MDPU programs offers flexibility and restrictions. For all new developments with 20 or more units, 12.5% to 15% of the total number of units in the development must be MDPU's. The overall number of units and the percentage is dependent on the density bonus achieved by developers.⁷

⁶ [CHAPTER 25A. HOUSING, MODERATELY PRICED - REGULATIONS](#)

⁷ [DHCA MPDU -Developers](#)

For Committee Consideration

1. Due to less restrictions and more flexibility, there are some things to consider including sprawl. Is it a priority to consider more projects through this program inside the beltway?
2. Based on DHCD's response to this legislation, a feasibility study is needed. How can the council support the agency ahead of implementing this legislation?

Fiscal Impact:

- *Direct Impact*

The enactment of CB-075-2025 will have an adverse fiscal impact as it will add significant administrative responsibilities to DHCD to create the program. This legislation would require start-up costs as it relates to establishing program rules, which may require a feasibility study. Outside of start-up costs and there will likely be a recurring County contribution to cover operating costs after the initial setup. However, once the program is fully funded it could potentially increase the County's property taxes as well as fund other program activities through the CHOICE Special Revenue Fund.

- *Indirect Impact*

The adoption of CB-075-2025 is likely to increase affordable homeownership within the County, especially as the costs of homes are increasing across the Country and making it difficult for first-time homebuyers. This may also increase development as incentives will be available for developers.

- *Appropriated in the Current Fiscal Year Budget*

N/A.

Effective Date:

CB-075-2025 shall be effective 180 calendar days after it becomes law.

Please call me if you require additional information or have questions about this fiscal impact statement.