



## Housing Expansion Incentive Program

### Guidelines and Application

Department of Infrastructure & Development  
Room 202  
125 N. Division Street  
Salisbury, Maryland 21801

Phone: 833-SBY-CITY

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## **Housing Expansion Incentive Program Guidelines and Application**

The Housing Expansion Incentive Program (the “**Program**”) is a graduated fee waiver program. The primary goal of the Program is to accelerate the construction of residential development throughout Salisbury. Projects that meet eligibility requirements shall qualify for a full or partial waiver of annexation fees, permitting fees, comprehensive connection charges, and/or development assessment fees, as set forth in detail on the attached **Exhibit 1** (collectively referred to as the “**Fee Waivers**”). Guidelines for the Program are set forth below (the “**Guidelines**”), immediately followed by the Program Application (the “**Application**”).

### **Eligibility for Program Fee Waivers**

A developer (each an “**Applicant**” and collectively the “**Applicants**”) may submit written documentation to the Director of the Department of Infrastructure & Development (“**DID**”) to establish eligibility for a property which is planned for residential development (the “**Project**”), which must demonstrate that the Project meets all of the following criteria:

1. The Project must either be located within the City of Salisbury or, in addition to completing this application, the applicant(s) must sign an Annexation Petition with the City.
2. The Project must comply with all applicable Zoning and Building Codes.
3. The Project must comply with all requirements of the Salisbury Historic District Commission.
4. Applications for the Program must be received, reviewed and confirmed as complete by DID PRIOR to the issuance of a certificate of occupancy for the Project.

### **General Conditions**

1. Applicants must comply with all Program guidelines and conditions.
2. Applicants must be the owner of the Project to apply for the Program.
3. Properties and owners must be current on all City, County, State, and Federal property and income taxes and remain current throughout the Program term. Failure to comply shall result in suspension of the Fee Waivers during any period of non-compliance and, at the discretion of the Mayor, may result in termination of the Housing Expansion Incentive Program Agreement (the “**Program Agreement**”) and the forfeiture of Fee Waivers for the remainder of the Program Fee Waiver Schedule set forth in the Program Agreement.
4. Building permits for a Project must be issued within the schedule defined in the Program Agreement.
5. All construction work for a Project must comply with applicable laws, ordinances, building codes and zoning ordinances.
6. The Application must include drawings of the proposed Project made to the specifications required by the Director of DID which demonstrate what the Project will look like when completed and show it will be in full compliance with the requirements of the Program.
7. The Applicant shall not deviate from the Project described in the Application or change the intended use of the property (e.g. change the Project from development of residential units to development of retail space); doing so without the prior approval of the Director of DID and the Council shall disqualify the Project for the Fee Waivers.

8. It is expressly agreed that Applicants shall be solely responsible for all safety conditions and compliance with all safety regulations, building codes, ordinances, and other regulations applicable to any Project for which Fee Waivers are sought under the Program.
9. It is expressly understood and agreed by each Applicant, that Applicants waive and release the City of Salisbury, its agents, employees, officers and/or directors from any and all liability for or arising from any property damage, personal injury, or other loss related in any way to the Project, the development and/or construction thereof, the Program or any Fee Waivers granted to an Applicant thereunder.
10. Each Applicant shall be responsible for hiring and executing an agreement with a general contractor, licensed to operate in the State of Maryland, for the construction of the Project. Each Applicant shall ensure that, in connection with the construction of the Project, its general contractor provides insurance coverage for comprehensive public liability, property damage liability, builder's risk, and workers' compensation.
11. Each Applicant must certify that: there are no hazardous materials located on the property at which the Project is constructed; the Applicant shall not cause or allow any hazardous materials to be placed on the property at which the Project is constructed; and, the property at which the Project is constructed is in compliance with all applicable Federal, State, and local environmental laws and regulations.
12. Applicants shall maintain or cause to be maintained both property and commercial general liability coverage for the Project and the property at which the Project is constructed, both during and after the construction/rehabilitation related to the Program.
13. If a Project is located in the 100-year floodplain, as designated by Federal Emergency Management Agency (FEMA), the Applicant shall be required to provide evidence of flood insurance coverage.
14. Following the completion of the Project, the Applicant shall ensure that all necessary approvals for the commencement of the activities that will take place on the property, including all applicable permits and licenses, have been obtained.
15. To be eligible to participate in the Program, the Program Agreement must be executed no later than February 28, 2022.
16. Having met all other requirements to participate in the Program, in order to qualify for each of the Program Fee Waivers the Applicant shall abide by the development timeline established in the Program Agreement.
17. An Applicant shall maintain the property and all improvements of the Project, and otherwise comply with the Municipal Code of the City of Salisbury.
18. An Applicant shall authorize the City of Salisbury to promote any Project approved for the Program. Such promotion by the City of Salisbury may include, but is not limited to displaying a sign at the Project site during and after construction, and using photographs and descriptions of the Project in City of Salisbury materials and press releases.
19. The City of Salisbury shall have the right to refuse and/or rescind the Fee Waivers granted for the Project if the City believes the work is unsatisfactory, the construction of the Project is not being completed according to the approved Application or the executed Program Agreement, or the increased assessed value of the real property following completion of Project construction does not meet the eligibility requirements.
20. If the property at which a Project approved for the Program is constructed (or planned for construction) changes ownership and becomes tax exempt during the term of the program, then

50% of the Fee Waivers received prior to such change of ownership shall be reimbursed to the City of Salisbury within thirty (30) days from the date of settlement on the change of ownership. Repayment of Fee Waivers shall be required, and, to the fullest extent permitted by law, shall be a lien on the property for which the Fee Waivers were requested.

## **Fee Waiver Schedule**

### **1. Full Fee Waivers: Timeline and Development Benchmarks**

- a. The Program Agreement must be executed by February 28, 2022, in order for Applicant to take advantage of the full Fee Waivers provided herein.
- b. All fees shall be paid on time and in full as the Project progresses. Any fees paid by the Owner which may be eligible for Fee Waivers shall be maintained by the City in a separate Fee Waivers escrow account. Fee Waivers shall be effectuated through refunds pursuant to the following timelines and development benchmarks:
  - (i) If all building permit applications and site plans related to the Project are approved by the Department of Infrastructure and Development by February 28, 2023, the City shall provide Fee Waivers equal to 25% of all permitting, annexation, and development assessment fees related to the project; the 25% Fee Waivers shall also be applied to comprehensive connection charges, excluding water and sewer infrastructure reimbursement fees. Fee Waivers shall be applied separately to each waived fee (i.e., 25% of the building permit fee is waived, 25% of the water and sewer connection fee is waived, etc.). Fee Waivers shall be provided in the form of a refund of the amount deemed to be waived, with such refund to be paid in a lump sum upon the issuance of the Certificate of Occupancy for the Project.
  - (ii) If construction on the Project commences no later than October 31, 2023, the City shall provide Fee Waivers equal to the 25% of all permitting, annexation, and development assessment fees related to the project; the 25% Fee Waivers shall also be applied to comprehensive connection charges, excluding water and sewer infrastructure reimbursement fees. These subsection 1(b)(ii) Fee Waivers shall be provided in addition to any Fee Waivers received through subsection 1(b)(i). Fee Waivers shall be applied separately to each waived fee (i.e., 25% of the building permit fee is waived, 25% of the water and sewer connection fee is waived, etc.). Fee Waivers shall be provided in the form of a refund of the amount deemed to be waived, with such refund to be paid in a lump sum upon the issuance of the Certificate of Occupancy for the Project.
  - (iii) If a Certificate of Occupancy for the Project is issued no later than June 30, 2025 for multifamily development projects, or June 30, 2027 for single-family development projects, the City shall provide Fee Waivers equal to 50% of all permitting, annexation, and development assessment fees related to the project; the 50% Fee Waivers shall also be applied to comprehensive connection charges, excluding water and sewer infrastructure reimbursement fees. These subsection 1(b) (iii) Fee Waivers shall be provided in addition to any waivers received through subsections 1(b) (i) and (ii). Fee Waivers shall be applied separately to each waived fee (i.e., 50% of the building permit fee is waived, 50% of the water and sewer connection fee is waived, etc.). Fee Waivers shall be provided in the form of a refund of the amount deemed to be waived, with such refund to be paid in a lump sum upon the issuance of the Certificate of Occupancy for the Project.

## 2. Projects Currently in the development Pipeline – Partial Benefit

a. Projects currently under development may participate in a modified version of this program. The Program Agreement must be executed by February 28, 2022, in order for Applicant to take advantage of the partial Fee Waivers provided herein.

b. All fees shall be paid on time and in full as the Project progresses. Any fees paid by the Owner which may be eligible for Fee Waivers shall be maintained by the City in a separate Fee Waivers escrow account. Fee Waivers shall be effectuated through refunds pursuant to the following timelines and development benchmarks:

(i) If all building permit applications and site plans related to the Project are approved by the Department of Infrastructure and Development by February 28, 2023, the City shall provide Fee Waivers equal to 25% of all permitting, annexation, and development assessment fees related to the project, *which such Fee Waivers shall be applicable only to future fees which have not yet become due in the ordinary course of the Project's development.* The 25% Fee Waivers shall also be applied to comprehensive connection charges, excluding water and sewer infrastructure reimbursement fees and *provided they have not yet become due in the ordinary course of the Project's development.* Fee Waivers shall be applied separately to each waived fee (i.e., 25% of the building permit fee is waived, 25% of the water and sewer connection fee is waived, etc.). Fee Waivers shall be provided in the form of a refund of the amount deemed to be waived, with such refund to be paid in a lump sum upon the issuance of the Certificate of Occupancy for the Project.

(ii) If construction on the Project commences no later than October 31, 2023, the City shall provide Fee Waivers equal to the 25% of all permitting, annexation, and development assessment fees related to the project, *which such Fee Waivers shall be applicable only to future fees which have not yet become due in the ordinary course of the Project's development.* The 25% Fee Waivers shall also be applied to comprehensive connection charges, excluding water and sewer infrastructure reimbursement fees and *provided they have not yet become due in the ordinary course of the Project's development.* These subsection 2(b)(ii) Fee Waivers shall be provided in addition to any Fee Waivers received through subsection 2(b)(i). Fee Waivers shall be applied separately to each waived fee (i.e., 25% of the building permit fee is waived, 25% of the water and sewer connection fee is waived, etc.). Fee Waivers shall be provided in the form of a refund of the amount deemed to be waived, with such refund to be paid in a lump sum upon the issuance of the Certificate of Occupancy for the Project.

(iii) If a Certificate of Occupancy for the Project is issued no later than June 30, 2025 for multifamily development projects, or June 30, 2027 for single-family development projects, the City shall provide Fee Waivers equal to 50% of all permitting, annexation, and development assessment fees related to the project, *which such Fee Waivers shall be applicable only to future fees which have not yet become due in the ordinary course of the Project's development;* the 50% Fee Waivers shall also be applied to comprehensive connection charges, excluding water and sewer infrastructure reimbursement fees and *provided they have not yet become due in the ordinary course of the Project's development.* These subsection 2(b)(iii) Fee Waivers shall be provided in addition to any waivers received through subsections 2(b)(i) and (ii). Fee Waivers shall be applied separately to each waived fee (i.e., 50% of the building permit fee is waived, 50% of the water and sewer connection fee is waived, etc.). Fee Waivers shall be provided in the form of a refund of the amount deemed to be waived, with such refund to be paid in a lump sum upon the issuance of the Certificate of Occupancy for the Project.

### **All Fee Waivers shall be prorated based upon the proportion of development with a residential use**

All Fee Waivers shall be prorated based upon the proportion of the Project that is developed for residential use. The portion of the Project developed for residential use shall be calculated based upon the proportion of project-related EDUs that are residential EDUs. To better understand the intent of this provision regarding how program Fee Waivers are to be prorated, refer to the example provided below.

## **Requirements for the Program Agreement**

1. The Director of the Department of Infrastructure and Development, or a designee thereof, shall draft a Program Agreement with eligible Applicants that includes the following:
  - a. Calculation of the sum total of all charges and fees that are eligible to be offset through Fee Waivers, in accordance with the development timeline and benchmark milestones. The calculations shall be set forth by DID in a Letter of Intent issued to Applicant after submission of the Program Application.
  - b. Calculations, based on the proportion of residential EDUs, of the percentage of the Project that is for residential use, which shall be eligible for Program Fee Waivers. All calculations shall be enumerated so that Applicants are fully advised what proportion of the Project is eligible for Fee Waivers, in accordance with the timeline and development benchmarks listed above. These calculations shall be included in the Letter of Intent issued by DID after Applicant's submission of the Program Application.
    - (i) Example: If a Project required a total of 100 EDUs – 80 EDUs for residential components with the remaining 20 EDUs being used for a commercial portion, then the Fee Waivers would only apply to 80% of the fees associated with the Project.
      1. In this example, if the Project were eligible for the full Fee Waivers, it would receive up to a 100% waiver on 80% of fees associated with the Project.
      2. If the Project in this example were eligible for the partial Fee Waivers, it would receive up to a 50% waiver on 80% of fees associated with the Project.
  - c. Draft an Annexation Petition for all proposed Projects located outside of City limits. The an Annexation Petition shall be signed by the Program Applicant and submitted with the signed Program Agreement.

## **Fee Waiver Process**

1. Fee Waivers shall be applied to fees on an individual basis in accordance with the above Fee Waiver Schedule. Fee Waivers may be combined with other local, state and federal incentive programs. Fee Waivers will not supersede other local, state, and federal incentive programs and will be applied after the application of those incentive programs. Fee Waivers cannot exceed 100% of any individual fee.
2. Properties must be current on all City, County, State, and Federal property and income taxes. All Fee Waivers shall be suspended unless and until the property's owners and tenants are current on all City, County and State property and income taxes.
3. Once initiated, the Fee Waivers shall run, in accordance with schedule set forth above, for the entire term of the Program unless the owner of the property becomes delinquent in paying the above described taxes or fails to meet the eligibility requirements or general conditions of the Program.

## Requirements for Application for Program Waiver

1. Interested Applicants must meet with DID staff to review the Program and specifications for the Applicant's Project.
2. One copy of the completed Application shall be submitted in paper form to DID and an electronic copy shall also be emailed to [infdev@salisbury.md](mailto:infdev@salisbury.md).
3. Portions of an Applicant's Application may be kept confidential by completing a Nondisclosure Agreement upon request and providing specific reasons for the request. Notwithstanding any term to the contrary set forth herein, Applicants expressly acknowledge and agree that any Maryland Public Information Act requests may result in information marked "confidential" by the Applicant being disclosed by the City unless such information is prohibited from disclosure (or is permitted for non-disclosure) under Maryland's Public Information Act.
4. **IMPORTANT NOTE:** Applications for the Program must be received, reviewed and confirmed as complete by DID **PRIOR** to the issuance of a certificate of occupancy for the Project.
5. The Director of DID shall issue an official Notice of Pre-Approval in the form of a Letter of Intent to be signed by the Applicant. Included with the Letter of Intent shall be a preliminary summary of Fee Waivers for the Project and a proposed draft Program Agreement for the Project. If the Project involves mixed-use or commercial components, the Director of DID shall also include the prorated total of all charges and fees that are eligible to be offset through Program Fee Waivers; the Director of DID shall determine this prorated Fee Waivers total based upon the proportion of the Project's EDUs that are residential EDUs. If the Project is located outside of the City limits, the Letter of Intent and draft Program Agreement shall also include an Annexation Petition. Applicants must sign and submit the Program Agreement, and any an Annexation Petition, within thirty (30) days of receipt of these documents.
6. Once the Letter of Intent has been signed, the Application and recommendation shall be forwarded to the Mayor for the Mayor's pre-approval.
7. DID staff shall finalize the Program Agreement for the Project, which must be executed by the Applicant within fifteen (15) days of the Applicant's receipt thereof. After the Applicant has fully executed the Program Agreement and, if applicable, Annexation Petition, the agreement(s) shall be presented to the Mayor for the Mayor's final approval.
8. Applicants shall agree to adhere to the timeline and development benchmarks included in the Application, in the Program Agreement, and (if applicable) any Land Disposition Agreements/Contracts approved by the City.
9. The Program Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, personal representatives, successors and permitted assigns. Applicant may assign the Program Agreement and all rights thereunder to any successor(s)-in-interest of Applicant with respect to its ownership of, or any of its rights in and to, the Project or any part or portion thereof. In the event of such an assignment, and/or transfer of the Property, the new owner or interest holder shall enter into a modified agreement with the City, affirming the benefits and obligations of the original Program Agreement.

## **Exhibit 1**

Eligible Projects may qualify for full or partial waivers of the following fees:

Comprehensive Connection Charges, subject to the exclusion below  
Building Plan Review Fees  
Building Permit Fees  
Demo- Residential (Building Fee)  
Gas (Building Fee)  
Mechanical (Building Fee)  
Plumbing (Building Fee)  
Annexation Fees, to include Annexation – Development Assessment Fees  
Water and Sewer Connection Fee  
Development Plan Review Fee  
Subdivision Review Fee  
Resubdivision Review Fee  
Critical Area Fees (Certificate of Compliance)  
Infrastructure Reimbursement Administrative Fee  
Water Meter Setting Fee  
Fire Prevention Fees, to include Basic Fees, Expedited Fees, After Hours Inspection Fees  
Fire Permit Fees, to include Fire Alarm & Detection Systems and Sprinkler, Water Spray and  
Combined Sprinkler & Standpipe Systems

The following fees shall not be waived:

Critical Area Program Fees (Fee-in-Lieu)  
Water and Sewer Infrastructure Reimbursement Fee  
Water Meter/Tap Fee and Sewer Connection Fee  
Any necessary Reinspection Fees



**City of Salisbury  
Program Application**

**General Information**

Application Date: \_\_\_\_\_

Legal Name of Business:

\_\_\_\_\_

Address of Property:

\_\_\_\_\_

Legal Description of Property:

\_\_\_\_\_

Name of Business Owner:

\_\_\_\_\_

Address of Business Owner:

\_\_\_\_\_

Business Owner Telephone #: \_\_\_\_\_

Business Owner E-mail address: \_\_\_\_\_

Name of Property Owner:

\_\_\_\_\_

Address of Property Owner:

\_\_\_\_\_

Property Owner Telephone #: \_\_\_\_\_

Property Owner E-mail address: \_\_\_\_\_

**Equivalent Dwelling Units (EDUs)**

Total Number of EDUs required \_\_\_\_\_  
Number of Residential EDUs required \_\_\_\_\_  
Number of Commercial EDUs required \_\_\_\_\_  
Percentage of EDUs that are Residential EDUs \_\_\_\_\_

**Project Narrative**

1) General description of the proposed project:

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2) How does this project align with the Program goals?

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3) Use Mix: Type of Use / Percentages:

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4) Property ownership structure:

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5) Do you intend to “Phase” the project? If so, please provide phasing details.

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6) Description of on- or off-site or associated additional projects, if applicable.

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7) Description of public or tenant accessible amenities, if applicable.

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8) Provide estimated value of building construction.

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Check any other incentives / programs that have been applied for.

- Enterprise Zone
- Rise Zone
- Comprehensive Connection Charge Waivers
- Revolving Loan Program
- Community Legacy Grant
- SD/SGIF Grant
- Other City/County/State/Federal Grant
- Other Tax incentives
- Energy use incentives
- Other Public investment

I, the Applicant, have read and understand the Program guidelines, and I agree to abide by the general conditions as set forth in this Application. I further understand that if I am awarded Fee Waivers, I shall be required to enter into a Program Agreement and, if applicable, an Annexation Petition with the City of Salisbury.

Signature of Project Owner: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Date: \_\_\_\_\_

Signature of Property Owner (if different from Project Owner):

Signature of Property Owner: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Date: \_\_\_\_\_