



MIHU Report

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Department of Housing and Community Development

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PROGRAM SUMMARY

Welcome to the MIHU Monthly Report. The report is posted monthly on the County website at www.howardcountymd.gov (click on “Departments – Housing and Community Development”).

The MIHU Program is an inclusionary zoning program that requires developers of new housing in specific zoning districts to sell or rent a portion of the dwelling units to households of moderate income. MIHUs are sold or rented through Howard County Housing at affordable prices and rents. MIHUs are interspersed throughout each development and residents enjoy all the amenities in the community.

A household of moderate income is defined as one whose household income does not exceed 80% of the Howard County median income for purchasers and 60% of the Howard County median income for renters. The Howard County median income for 2018 is \$120,941. All types of dwelling units are available for purchase or rent, from apartment-style dwellings and condominiums, to townhouses and single-family detached dwellings. The purchase price and rental rate for each type of MIHU is calculated according to an affordability formula established by the MIHU regulations. MIHU prices are set twice a year. Applications for the program can be obtained during open enrollment periods at the Howard County Housing office, by calling (410) 313-6318 or online at www.howardcountymd.gov/MIHU. Rental applications are accepted year-round on a first-come, first-serve basis at the rental communities that offer MIHU apartments. Visit our website for a list of participating rental communities.

As of January 1, 2019, new MIHU pricing and standards are in effect. Current pricing and standards are posted publicly and are also available by contacting the office or by visiting our website: <http://www.howardcountymd.gov/mihudevelopers.htm>. Rental rates and rental community contact information is also available by phone, email and on the department website.

In the month of February, four families became homeowners in three MIHU communities. Currently, only three units under priority period are outstanding. It is expected that these units will be under contract by the end of March. Although new home priority period requests have lessened in recent months, resale pricing inquiries continue to increase. Ultimately, the increase in resales supports efforts to provide MIHU homeownership opportunities for those with lower incomes. However, with an increase in resales comes other challenges not initially anticipated. Those issues will be addressed in upcoming regulation changes. In some instances, they also challenge staff to conceive of creative ideas and program options to capitalize on unmet opportunities.

Lastly, our records indicate that 86% of all program homeowners have returned annual compliance audit forms. A third notice was mailed February 28th to 35 homeowners. Based on information received, we have initiated a potential rental violation with the Department of Inspections, Licenses and Permits for two households.

Additional MIHU information is available by phone, on the website or by emailing Lisa Wiseman at lwiseman@howardcountymd.gov.

Lisa Wiseman
Housing Opportunities Programs

MIHU RENTALS

MIHU rental applications are available year-round and offered on a first come, first serve basis at participating communities. Verde II is receiving units in phases and accepting applications after the units are completed. Dartmoor Place/Oxford Square will likely begin accepting rental applications in March-April. MIHU rental tracking is detailed below:

Development	Status	Total Units	On-site MIHUs	On-site LIHUs	Pending	Rented	Market Rent*	MIHU Rent	Difference
Azure Oxford Square	C	248	38		0	38	\$2055	\$1283	\$772
Aladdin South	C	39	39		0	39			
Alta at Regency Crest	C	150	15		0	15	\$2373	\$1283	\$1090
Annapolis Junction Town**	C	416	32		6	26	\$2007	\$1505	\$502
Ashbury Courts	C	156	24		1	23	\$1694	\$1283	\$411
Belmont Station	C	208	32		0	32	\$2007	\$1315	\$692
Brompton House 2**	C	193	9	9	0	18	\$2144	\$1315	\$829
Burgess Mill Station II	C	53	6		0	6			
Dartmoor Place	UC	258	39		39	0			
Ellicott Gardens	C	106	103		0	103			
Howard Square Verde II	UC	344	35		28	7	\$1950	\$1283	\$667
Miller's Grant	C	286	29		15	14			
Mission Place	C	366	61		0	61	\$1800	\$1283	\$517
Oakland Place	C	16	2		0	2			
Orchard Meadows	C	150	15		0	15	\$1524	\$1430	\$94
Orchard Park	C	40	4		0	4	\$1924	\$1302	\$622
Parkview at Emerson	C	80	80		0	80			
Penniman Park	C	186	19		0	19	\$1801	\$1302	\$499
Riverwatch I**	C	84	42		0	42			
The Vine	C	283	43		0	43	\$2245	\$1283	\$962
Townes at Pine Orchard	C	71	7		0	7	\$2645	\$1283	\$1362
TOTALS		3733	674	9	89	594			

*for 2-bedroom unit-as of January 2019

**alternative compliance approved

Rental Communities with MIHU requirements to be built:

Development	Status	Total Units	On-site MIHU	On-site LIHU Requirement	Pending	Rented
Beechcrest	PC	64	33		33	0
Corridor Square	PC	250	38		38	0
Deep Falls	PC	80	55		55	0
The Wexley @ 100	PC	394	40		40	0
TOTALS		788	166		166	0

MIHU HOMEOWNERSHIP SUMMARY

Section 13.402 of the Code allows the Department to consider a developer's request to use an optional method of compliance for the MIHU requirement. The developer of Verde II requested approval to transfer 39 units off-site to another site to be selected and developed in partnership with the Housing Commission. Howard Square Apartments Phase 8 & 9 will still be required to provide 35 (or 11%) MIHU apartments on-site at Verde II. This request has been approved by the Department of Housing and Community Development Board and the Directors of Planning and Zoning and Community Resources and Services. The 39 MIHUs will be transferred off-site to a proposed rental development in Elkridge. The County will sign an amendment to the existing MIHU Agreement and Declaration of Covenants in March to confirm terms of the agreement.

MIHU Properties Pending Award in February: Oxford Square/Exeter Park Condos (3)

MIHU Buyers Under Contract and Pending Settlement in February: Oxford Square/River Overlook (1); Shipley's Grant (3); Waverly Grove (2)

MIHU Developments	Status	Total Units	MIHUs Required	LIHUs Required	Under Contract	Released to Builder	MIHU/LIHU Closed 2007-2018	MIHU/LIHU Closed 2019
Belmont Station	C	110	17	0	0	0	17	0
Cherry Tree Townhomes	C	110	17	0	0	0	17	0
Dorset Gardens	C	230	44	0	0	16	28	0
Elkridge Crossing Condos**	C	56	18	0	0	4	10	0
Elkridge Crossing Townhomes**	UC	208	19	0	0	1	7	0
Ellicott Crossing	C	154	16	0	0	0	16	0
Fox Hunt Estates	C	32	4	0	0	0	4	0
Foxwood Manor	C	37	5	0	0	0	5	0
Gatherings at Ellicott Mills Condo**	C	127	10	1	0	4	7	0
Gatherings at Jefferson Pl. Condo**	C	135	14	0	0	5	9	0
Guilford Mews	C	26	3	0	0	3	0	0
Howard Square**	C	413	55	0	0	0	51	0
Joseph's Courtyard	C	24	0	1	0	0	1	0
Jones Station	C	22	3	0	0	3	0	0
Laurel Park Station	PC	220	34	0	0	0	0	0
Legacy at Cherry Tree Condo**	C	152	4	3	0	0	7	0
Long Gate Overlook**	PC	79	0	5	0	0	0	0
Magnolia Manor	PC	59	3	0	0	0	0	0
Morris Place**	UC	175	28	0	0	24	2	0
Oxford Square/Folly Bridge/Springdale	UC	197	31	0	0	0	29	0
Oxford Square/Exeter Park Condos	UC	180	31	0	0	0	15	1
Oxford Square/River Overlook	UC	126	19	0	1	0	6	2
Riverwalk	C	58	6	0	0	0	6	0
Shipley's Grant	UC	464	21	0	3	0	16	2
Simpson Mill**	C	150	0	5	0	0	5	0
Trotter's Knoll	PC	77	8	0	0	0	0	0
Waverly Grove	UC	30	3	0	2	0	1	0
Village Towns	C	259	23	0	0	2	14	0
TOTALS		3910	436	15	6	62	273	5
**alternative compliance approved								

C- Completed

PC-Pending Construction

UC-Under Construction

TRACKING – RESALES and RELEASES

MIHU homes are perpetually affordable. In other words, once the units are designated as MIHUs, they remain in the program in perpetuity. When a builder requests a priority period for new MIHUs, the Department has 120 days to find eligible buyers to purchase the MIHUs. In the event the Department does not provide an eligible buyer within the priority period, the unit is released to the builder to be sold at market rate. When units are sold at market rate as a non-MIHU, the builder is required to split the net proceeds with the County 50/50. Upon receipt of the net proceeds, the department will execute a release of the unit from the program.

The County reached an agreement with Beazer Homes in December 2018 regarding the unsold MIHU townhomes at Morris Place in Elkridge. A combination of factors, including location, amenities and unit design, made it difficult for the Department to find MIHU buyers for their units. Beazer Homes agreed to pay \$56,000 per unit to the County for each MIHU townhouse that was sold at market rate. These funds were received in FY2019, but will be budgeted to be spent in FY2020 on another affordable housing initiative.

A similar process occurs for MIHU resales. When an MIHU homeowner contacts the Department to request a resale price, a 120-day priority period begins to find an eligible buyer for the home. If the home is not awarded within the priority period, the homeowner may sell the home at market rate as a non-MIHU and split their proceeds with the net proceeds with the County 50/50. The Department continues to update the database and increase marketing efforts to identify income eligible, mortgage ready candidates.

Community	Re-Sales Closed 2013 - YTD 2018	Released from MIHU Program	Totals
Belmont Station	1	1	2
Cherry Tree Townhomes	1	0	1
Dorset Gardens	2	0	2
Elkridge Crossing Condo	6	0	6
Elkridge Crossing Townhomes	0	1	1
Ellicott Crossing	3	0	3
Gatherings at Ellicott Mills	0	1	1
Howard Square	1	0	1
Legacy at Cherry Tree	2	0	2
Oxford Square	0	2	2
Riverwalk	1	1	2
Shipley's Grant	3	0	3
Village Towns	2	0	2
Totals	22	6	28

MIHU FEE IN LIEU

One method of alternative compliance is a fee-in-lieu option. Developers of single family, detached dwellings may pay a fee-in-lieu instead of providing MIHUs in the following zoning districts: RC, RR, R-ED, R-20, R-12, and R-SC. Developers of age-restricted, planned senior communities, single family attached dwellings in R-H-ED and mixed use developments in MXD are also eligible for the fee-in-lieu option. Developers contact the Department for an MIHU agreement when they receive a Technically Complete letter from Planning and Zoning.

The County's Office of Inspections, Licenses and Permits will collect the fee in lieu. The Department is tracking this information to comply with the legislation's reporting requirements and to determine potential revenue for affordable housing units and programs. The Department has signed fee in lieu agreements for 134 units in 4 developments through February 2019. The FY19 budget spending authority for the fee-in-lieu revenue is \$1,000,000.

Development	Zip Code	Zoning	New Lots	Agreement Signed
Oak Hill Subdivision	21042	R-20	6	2/19/19

Section 13.402C(e)(8) of the County Code requires the Department to provide a detailed annual report to the Council of each collection and expenditure of all MIHU fee-in-lieu funds for the prior calendar year by February 1st. For the Calendar year ending December 31, 2018, the Department used fee-in-lieu funds to provide 20 Settlement Downpayment Loans and 10 Workforce Initiative Loans totaling \$460,145 and \$21,019 respectively to first-time MIHU homebuyers. In addition, \$400,000.00 is committed to fund financial education and credit counseling, rehabilitation of a home for a low-income family impacted by the Ellicott City flood, financial assistance for rental subsidies and eviction prevention, operational support for residents in a substance abuse recovery house, and the creation of three (3) single family units to rent to nine (9) low-income residents with disabilities in FY2019. Because fee-in-lieu revenues are committed when an MIHU agreement is signed, but not paid until a building permit is issued, the fees from these projects may or may not be collected in the same year that the agreements are signed. This letter was submitted to the County Council on January 17, 2019. The report is posted on the Department's website at www.howardcountymd.gov.