



# MIHU Report

July 2019

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](http://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 2019 is \$111,473. 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](http://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.

New MIHU pricing has been calculated for July 1, 2019 – December 31, 2019. Pricing and standards are posted publicly, are available by contacting the office or are available by visiting our website: <http://www.howardcountymd.gov/mihudevelopers.htm>. Rental rates and participating rental community contact information is also available by phone, email, or on the department website.

During July open enrollment, 87 new applications were received and entered into the database. Two MIHU homeownership and one MIHU rental information sessions were held. More than 104 persons attended the two homeownership sessions, and 8 persons participated in the rental session. However, due to continued and overwhelming demand for MIHU homeownership information sessions, the frequency of those sessions may be added during non-open enrollment months.

Also, in July, the department participated in outreach events in conjunction with the Howard County Department of Social Services and Howard County General Hospital. Although the focus of these events was not MIHU, information about the program was distributed to vendor and service provider representatives, as well as participants. Because of participation in the two events, a new partnership with the hospital has been established. We will begin a dialog with Howard County General Hospital regarding the possibility of ongoing outreach events for current employees and the inclusion of MIHU information in new employee welcome packets.

There were no sales or new priority periods initiated in July; however, the department is in receipt of several priority period requests that will begin in August.

Additional MIHU information is available by phone, on the website or by emailing Lisa Wiseman at [lwiseman@howardcountymd.gov](mailto:lwiseman@howardcountymd.gov).

*Lisa Wiseman*  
Chief, 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 begin accepting rental applications in August. The first units should be available for rent by the end of the year. Due to utility allowance adjustments on July 1st, new MIHU rents are reflected here:

Development	Status	Total Units	On-site MIHUs	On-site LIHUs	Pending	Rented	Market Rent*	MIHU Rent	Difference
Aladdin South	C	39	39		0	39			
Alta at Regency Crest	C	150	15		0	15	\$2373	\$1324	\$1049
Annapolis Junction Town**	C	416	32		16	16	\$2007	\$1505	\$502
Ashbury Courts	C	156	24		0	24	\$1694	\$1324	\$2370
Azure Oxford Square	C	248	38		0	38	\$2055	\$1324	\$735
Belmont Station	C	208	32		0	32	\$2007	\$1320	\$687
Brompton House 2**	C	193	9	9	0	18	\$2144	\$1312	\$832
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		2	33	\$1950	\$1324	\$626
Miller's Grant	C	286	29		16	13			
Mission Place	C	366	61		0	61	\$1800	\$1324	\$476
Oakland Place	C	16	2		0	2			
Orchard Meadows	C	150	15		0	15	\$1524	\$1343	\$181
Orchard Park	C	40	4		0	4	\$1924	\$1343	\$581
Parkview at Emerson	C	80	80		0	80			
Penniman Park	C	186	19		0	19	\$1801	\$1343	\$458
Riverwatch I**	C	84	42		0	42			
The Vine	C	283	43		0	43	\$2245	\$1312	\$933
The Wexley @100	UC	394	40		40	0			
Townes at Pine Orchard	C	71	7		0	7	\$2645	\$1296	\$1349
<b>TOTALS</b>		<b>4127</b>	<b>714</b>	<b>9</b>	<b>113</b>	<b>610</b>			

\*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
Riverwatch II	PC	58	33		33	0
<b>TOTALS</b>		<b>452</b>	<b>159</b>		<b>126</b>	<b>0</b>

Annual audits of the rental MIHU communities are on-going. The increase in rents for 2019 was more than 5% over 2018 MIHU rents; therefore, the communities had to maneuver between two sets of rents for new applicants and renewals. In July, Orchard Meadows, Orchard Park and Miller's Grant passed their audits with minimal findings. Mission Place had excessive file findings and will require a return visit.

## MIHU HOMEOWNERSHIP SUMMARY

MIHU Properties Pending Award in July: Oxford Square/Exeter Park (3); Oxford Square/River Overlook (2), The Yard (2), Trotters Knoll (3)

MIHU Buyers Under Contract and Pending Settlement in July: Morris Place (2); Oxford Square/Exeter Park (2) Oxford Square/River Overlook (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
Bluestream Phase III	PC	180	34	0	0	0	0	0
Cherry Tree Townhomes	C	110	17	0	0	0	17	0
Dorset Gardens at Bluestream	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	2	24	2	0
Oxford Square/Folly Bridge/Springdale	C	197	31	0	0	2	29	0
Oxford Square/Exeter Park Condos	UC	180	31	0	2	0	15	4
Oxford Square/River Overlook	UC	126	19	0	2	0	6	3
Oxford Square/The Yard	UC	56	9	0	0	0	0	0
Riverwalk	C	58	6	0	0	0	6	0
Shiple's Grant	C	464	21	0		0	16	5
Simpson Mill**	C	150	0	5	0	0	5	0
St Charles Woods	PC	22	0	1	0	0	0	0
Trotter's Knoll	UC	77	8	0	0	0	0	0
Waverly Grove	C	30	3	0	0	0	1	2
Village Towns	C	259	23	0	0	2	14	0
<b>TOTALS</b>		<b>4168</b>	<b>479</b>	<b>15</b>	<b>6</b>	<b>64</b>	<b>273</b>	<b>14</b>
** alternative compliance approved								

PC–Pending Construction      UC–Under Construction      C–Complete

## TRACKING – REALES 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.

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 for new and resale units.

<b>Community</b>	<b>Re-Sales Closed 2013 - YTD 2018</b>	<b>Released from MIHU Program</b>	<b>Re-Sales Closed in 2019</b>	<b>Totals</b>
Belmont Station	1	2	0	3
Cherry Tree Townhomes	1	0	2	3
Dorset Gardens at Bluestream	2	0	0	2
Elkridge Crossing Condo	6	0	0	6
Elkridge Crossing Townhomes	0	1	0	1
Ellicott Crossing	3	0	0	3
Gatherings at Ellicott Mills	0	1	0	1
Howard Square	1	0	1	2
Legacy at Cherry Tree	2	0	0	2
Oxford Square - Exeter Park	0	0	1	1
Oxford Square - Folly Bridge Springdale	0	2	0	2
Riverwalk	1	1	0	2
Shipley's Grant	3	0	0	3
Village Towns	2	0	0	2
<b>Totals</b>	<b>22</b>	<b>7</b>	<b>4</b>	<b>33</b>

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## **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 Department of Inspections, Licenses and Permits collects the fee in lieu. Our Department is tracking this information to comply with the legislation's reporting requirements and to determine potential revenue for affordable housing units and programs. We did not receive any developer requests for fee in lieu in July. The total agreements remain at 158 units in 11 developments through July 2019. In accordance with Council Resolution 88-2019, the MIHU fee-in-lieu increased to \$2.65 per square foot on July 1<sup>st</sup>.

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 1<sup>st</sup>. 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](http://www.howardcountymd.gov).

The Department will continue to use MIHU fee-in-lieu funds for SDLP and Workforce Initiative loans in FY20. In addition, \$400,000 in MIHU fee-in-lieu funds was awarded to 5 local non-profits on July 1st to engage in a continued and collaborative effort to promote the availability of affordable housing options in the County.