



MIHU Report

May 2019

Department of Housing and Community Development

Kelly Cimino, Director
Lisa Wiseman, Chief of Housing Opportunities Programs
9820 Patuxent Woods Drive, #224, Columbia, MD 21046
(410) 313 – 6343 | lwiseman@howardcountymd.gov

CONTENT

MIHU PROGRAM SUMMARY	2
MIHU RENTALS	3
MIHU HOMEOWNERSHIP	4
MIHU RESALE AND RELEASE	5
MIHU FEE IN LIEU	6

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 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. 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 May, MIHU rental audit compliance visits commenced, priority periods for seven units in two Oxford Square Communities were initiated and one MIHU home settled in Exeter Park and Shipley’s Grant respectively. The Shipley’s Grant settlement marks completion of the MIHU requirements in that community.

DHCD staff met with Habitat for Humanity to discuss a potential partnership with the Department. The partnership could allow qualified low-income candidates to participate in MIHU homeownership opportunities. These opportunities will be made available due to the availability of 0% interest rate loans offered by banking partners participating in the Habitat program. The candidate selection process has been set and partnership details are currently under discussion. More details will be forthcoming as program parameters are established.

Resale inquiries continue to increase. Through May 2019, 10 inquiries have been received. By comparison, a total of 14 inquiries were received in 2018. The continued upward trend in resale inquiries suggests the need for possible regulation changes to address MIHU resale challenges that could provide homeownership opportunities for lower-income applicants.

We continue to generate ideas that will assist in creating MHU rental and homeownership opportunities.

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 later this Summer. MIHU rental tracking is detailed below:

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	\$1283	\$1090
Annapolis Junction Town**	C	416	32		16	16	\$2007	\$1505	\$502
Ashbury Courts	C	156	24		0	24	\$1694	\$1283	\$411
Azure Oxford Square	C	248	38		0	38	\$2055	\$1283	\$772
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		18	17	\$1950	\$1283	\$667
Miller's Grant	C	286	29		20	9			
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
The Wexley @100	UC	394	40		40	0			
Townes at Pine Orchard	C	71	7		0	7	\$2645	\$1283	\$1362
TOTALS		4127	714	9	133	590			

*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
TOTALS		452	159		126	0

Annual audits of the rental MIHU communities have begun. 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. Azure at Oxford Square, Brompton House and Belmont Station passed their audits successfully with no findings. Annapolis Junction has not been successful in leasing their required units; however, the audit had no other findings.

MIHU HOMEOWNERSHIP SUMMARY

MIHU Properties Pending Award in May: Oxford Square/Exeter Park (5); Oxford Square/River Overlook (2)

MIHU Buyers Under Contract and Pending Settlement in May: Morris Place (2); Oxford Square/Exeter Park (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 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	UC	197	31	0	0	0	29	0
Oxford Square/Exeter Park Condos	UC	180	31	0	2	0	15	2
Oxford Square/River Overlook	UC	126	19	0	0	0	6	3
Oxford Square/The Yard	PC	56	9	0	0	0	0	0
Riverwalk	C	58	6	0	0	0	6	0
Shipley's Grant	C	464	21	0	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	PC	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
TOTALS		3988	445	15	4	62	273	12

**alternative compliance approved

PC–Pending Construction

UC–Under Construction

C–Completed

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. There were no resale settlements in May.

Community	Re-Sales Closed 2013 - YTD 2018	Released from MIHU Program	Re-Sales Closed in 2019	Totals
Belmont Station	1	1	0	2
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	0	1
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
Shipleys Grant	3	0	0	3
Village Towns	2	0	0	2
Totals	22	6	3	31

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. Although we received a few requests for MIHU fee-in-lieu agreements, none were executed in May.

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.