



# 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](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 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](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.

As of July 1, 2018, new MIHU pricing and standards are in effect. Current MIHU Homeownership Pricing and Standards have been 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 November six MIHU candidates became homeowners and three candidates were awarded homes. Verde II in Elkridge, the newest MIHU rental community, began accepting applications this month. The Department held a training for MIHU property managers and staff at our office on November 27th.

Staff received four MIHU resale price inquiries that resulted in two letters of intent to sell through the program. Staff anticipates on-going challenges associated with non-warrantable condos and/or condo associations that do not meet requirements for FHA financing. Lenders have been unable to offer standard 30 fixed rate financing to candidates contracted to purchase condo resales in two communities. As a result, staff has begun to conceptualize possible solutions to assist MIHU condo owners with resales. The increase in resale inquiries seems to mirror national averages for home resales, but it presents new challenges for the MIHU program. Changes to the current MIHU regulations will be proposed in 2019 to address existing gaps. Staff is working with board members and area lenders to find solutions to the condo financing concerns.

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*  
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 has begun accepting applications and Dartmoor Place/Oxford Square will likely begin accepting rental applications in the Spring. 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	\$1925	\$1411	\$514
Aladdin South	C	39	39		0	39			
Alta at Regency Crest	C	150	15		0	15	\$2300	\$1411	\$889
Annapolis Junction Town**	C	416	32		16	16	\$2565	\$1361	\$1204
Ashbury Courts	C	156	24		3	21	\$1666	\$1411	\$255
Belmont Station	C	208	32		0	32	\$1888	\$1443	\$445
Brompton House 2**	C	193	9	9	0	18	\$1950	\$1443	\$507
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		35	0			
Miller's Grant	C	286	29		20	9			
Mission Place	C	366	61		0	61	\$1792	\$1411	\$381
Oakland Place	C	16	2		0	2			
Orchard Meadows	C	150	15		0	15	\$1524	\$1430	\$94
Orchard Park	C	40	4		0	4	\$1950	\$1430	\$520
Parkview at Emerson	C	80	80		0	80			
Penniman Park	C	186	19		0	19	\$1834	\$1430	\$403
Riverwatch I**	C	84	42		0	42			
The Vine	C	283	43		0	43	\$2255	\$1411	\$844
Townes at Pine Orchard	C	71	7		0	7	\$2645	\$1435	\$1210
<b>TOTALS</b>		<b>3733</b>	<b>674</b>	<b>9</b>	<b>113</b>	<b>570</b>			

\*for 2-bedroom unit-As of July 2018

\*\*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
<b>TOTALS</b>		<b>788</b>	<b>166</b>		<b>166</b>	<b>0</b>

C- Completed

PC-Pending Construction

UC-Under Construction

## MIHU HOMEOWNERSHIP SUMMARY

MIHU Properties Pending Award in November: Shipley's Grant (1), Waverly Grove (2)

MIHU Buyers Under Contract and pending Settlement in November: Shipley's Grant (2)

### MIHU HOMEOWNERSHIP COMMUNITY TRACKING

MIHU Developments	Status	Total Units	MIHUs Required	LIHUs Required	Under Contract	Released to Builder	MIHU/LIHU Closed 2007-2017	MIHU/LIHU Closed 2018
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	0	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
Josephs's Courtyard	C	24	0	1	0	0	0	1
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
Morirs Place**	UC	166	26	0	0	5	1	1
Oxford Square/Folly Bridge/Springdale	UC	197	31	0	0	0	29	0
Oxford Square/Exeter Park Condos	UC	180	31	0	0	0	8	6
Oxford Square/River Overlook	UC	126	19	0	0	0	0	6
Riverwalk	C	58	6	0	0	0	6	0
Shipley's Grant	UC	464	21	0	2	0	13	3
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		0	0	1
Village Towns	C	259	23	0	0	2	14	0
<b>TOTALS</b>		<b>3901</b>	<b>434</b>	<b>15</b>	<b>2</b>	<b>42</b>	<b>254</b>	<b>18</b>
**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.

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 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. No units have been released in 2018.

<b>Community</b>	<b>Re-Sales Closed 2013 - YTD 2018</b>	<b>Released from MIHU Program</b>	<b>Totals</b>
Belmont Station	1	1	2
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
Shipleys Grant	3	0	3
Village Towns	2	0	2
<b>Totals</b>	<b>21</b>	<b>6</b>	<b>27</b>

## **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 282 units in 24 developments through November 2018. The FY19 budget spending authority for the fee-in-lieu revenue is \$1,000,000.

<b>Development</b>	<b>Zip Code</b>	<b>Zoning</b>	<b>New Lots</b>	<b>Agreement Signed</b>
Jett Property	21042	R-20	1	11/8/18
Somerville Estates	21075	R-SC	7	11/8/18
Bethany Ridge - Phase 2	21042	R-20	4	11/30/18
Linden Grove – Phase One	21797	RC-DEO	23	11/30/18