



MIHU Report

December 2017

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 of 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 2017 is \$110,892. 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 July 1, 2017, new MIHU pricing and standards are in effect. New MIHU 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.

As the Department reflects on 2017, here are some highlights:

33 new, affordable townhomes in Elkrige and Hanover were awarded to first-time homebuyers earning up to 80% of Howard County area median income;

515 affordable rental apartments in Ellicott City, Elkrige, Hanover and Laurel were leased to households earning up to 60% of Howard County area median income;

5 existing MIHU homes were resold to new first-time homebuyers so the units will remain in the program;

33 MIHU homebuyers were approved for deferred loans from the Settlement Downpayment Loan Program (SDLP) to help them pay downpayment and closing cost expenses at closing; and

\$906,035 in MIHU fee-in-lieu revenue was received from developers in 2017. The revenue will be used to help fund other affordable housing programs.

This year, DHCD began accepting on-line application submissions and workshop registrations. These options and social media marketing appear to be a contributing factor for the increase in both the number of on-line applications and workshop attendees. In addition, greater emphasis was placed on informing Howard County employees of options available to assist them with becoming residents of the county. Participation in the MIHU and SDLP programs has increased the number of employees who are now able to live where they work.

In September, the Department sent out compliance certifications to existing MIHU homeowners. More than 90% responded accordingly. However, roughly 10% (24) have not responded to an email or 1st or 2nd written requests, and therefore, will require further investigation. Three MIHU violations have been identified and one has been formally notified that at the time of resale, all proceeds will be forfeited. Investigations are ongoing. Compliance efforts will continue to make sure that all MIHU homes are owner occupied as intended.

The Department is working on several regulatory and procedural changes for consideration next year. We are proud of 2017 accomplishments and look forward to making positive changes for greater impact in 2018.

Lisa Wiseman
Division Chief
Housing Opportunities Programs

MIHU HOMEOWNERSHIP

Due to an impending increase in overall MIHU sales prices for 2018, a request for 2-bedroom, rather than 3 bedroom units has been submitted to Lennar Homes for consideration. The decrease in the number of bedrooms will provide a lower cost alternative to the larger 3 bedroom units that may be priced at \$300,00, making it substantially more difficult to identify qualified buyers from our database.

Properties Pending Award in December:

N/A

MIHU Buyers Under Contract in December:

Morris Place (1)

Developments with MIHUs under construction:

Development	Status	Total Units	MIHUs Required	LIHUs Required	Under Contract	Closed 2007-2016	Closed 2017
Dorset Gardens	C	230	44		0	24	4
Elkridge Crossing Townhomes**	UC	200	21		0	4	3
Foxwood Manor	C	37	5		0	0	5
Howard Square	C	413	55		0	43	8
Morris Place	UC	87	14		1	1	0
Oxford Sq./Folly Bridge/Springdale	UC	197	31		0	21	8
Oxford Square/Exeter Condos	UC	180	31		0	3	5
Shipley's Grant	UC	464	21		0	13	0
TOTALS		1808	222		1	109	33

Developments with MIHUs pending construction:

Development	Status	Total Units	MIHUs Required	LIHUs Required
Joseph's Courtyard**	PC	24	0	1
Long Gate Overlook**	PC	79	0	5
Oxford Square/River Overlook	PC	126	19	0
Waverly Grove	PC	30	3	0
TOTALS		259	22	6

Completed developments with MIHU homes:

Development	Status	Total Units	MIHUs Required	LIHUs Required	Awarded	Closed 2007-2016
Belmont Station	C	110	17		17	17
Cherry Tree Townhomes	C	110	17		17	17
Elkridge Crossing Condos	C	64	10		10	10
Ellicott Crossing	C	154	16		16	16
Fox Hunt Estates	C	32	4		4	4
Gatherings at Ellicott Mills Condo**	C	127	10	1	7	7
Gatherings at Jefferson Pl. Condo**	C	135	14		9	9
Legacy at Cherry Tree Condo**	C	152	4	3	7	7
Riverwalk	C	58	6		6	6
Simpson Mill**	C	150	0	5	5	5
Village Towns	C	259	23		14	14
TOTALS		1351	121	9	112	112

**alternative compliance approved

MIHU RENTALS

MIHU rental applications are available year-round and offered on a first come, first serve basis at participating communities. Apartments at The Residences at Annapolis Junction and The Vine are complete and leasing now.

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	\$2010	\$1265	\$745
Aladdin South	C	39	39		0	39			
Alta at Regency Crest	C	150	15		0	15	\$2220	\$1265	\$1045
Annapolis Junction Town**	C	416	32		22	10	\$2219	N/A	N/A
Ashbury Courts	C	156	24		3	21	\$1491	\$1265	\$226
Belmont Station	C	208	32		0	32	\$1750	\$1314	\$436
Brompton House 2**	C	193	9	9	0	18	\$1750	\$1323	\$427
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	\$1610	\$1265	\$345
Oakland Place	C	16	2		0	2			
Orchard Meadows	C	150	15		0	15	\$1653	\$1284	\$369
Orchard Park	C	40	4		0	4	\$1673	\$1284	\$389
Parkview at Emerson	C	80	80		0	80			
Penniman Park	C	186	19		0	19	\$1666	\$1284	\$382
Riverwatch**	C	84	42		0	42			
The Vine	UC	283	43		43	0			
Townes at Pine Orchard	C	71	7		0	7	\$2570	\$1265	1305
TOTALS		2946	629	9	123	515			

*for 2-bedroom unit-As of July 2017

**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
Burgess Mill Station II	PC	53	6		6	0
Oxford Sq./Dartmoor Place	PC	258	39		39	0
Deep Falls	PC	80	55		55	0
TOTALS		455	133		133	0

MIHU RESALE

Pending MIHU resales: Belmont Station, Elkridge Crossing, Ellicott Crossing, Howard Square, Legacy at Cherry Tree and Oxford Square.

Development	Status	First Owner	Second Owner	Third Owner	Released from program
Belmont Station	C	17	0	0	1
Cherry Tree Townhomes	C	17	1	0	
Dorset Gardens	C	28	4	0	
Elkridge Crossing Condos	C	10	6	1	
Elkridge Crossing Townhomes	C	4	0	0	1
Ellicott Crossing	C	16	1	0	
Gatherings at Ellicott Mills	C	7	0	0	1
Howard Square	C	51	1	0	
Legacy at Cherry Tree Condos	C	7	1	0	
Oxford Square Townhomes	UC	26	5	0	
Riverwalk	C	6	0	0	1
Shipley's Grant	C	13	3	0	
Village Towns	C	14	3	0	

MIHU RELEASE

The Department released 13 MIHUs from the program in 2017. The volume of new unit offerings from multiple communities at the same time was greater than the number of income eligible applicants in the database. Prior to the separation in July 2016, the Housing Commission would purchase the units for the Department to provide more time to sell them to eligible MIHU households. This is no longer a viable option. At the end of the 120-day priority period, the Department must release unsold units to the builder as market rate sales. The builder is required to split the net proceeds from any released MIHU sale 50/50 with the County. The Department continues to update the database and market the program to area employers to increase the number of income eligible applicants in the MIHU database.

Previous MIHU release activity (only communities with release activity are shown here):

Development	Status	Units Released	Reason	2009-2015	2016	2017
Dorset Gardens	C	16	Qualifying Income	10	2	4
Elkridge Crossing Townhomes	C	5	Market conditions	4	0	1
Gatherings at Ellicott Mills Condos	C	5	Age-restricted	4	0	1
Gatherings at Jefferson Pl. Condos	C	5	Age-restricted	5	0	
Guilford Mews	C	3	Age-restricted	3	0	
Jones Station	C	3	Age-restricted	3	0	
Morris Place	UC	4	Qualifying Income	0	0	4
Oxford Square	UC	3	Qualifying Income	0	0	3
Village Towns	C	2	Market conditions	2	0	
TOTAL		46		31	2	13
Key		PC - Pending Construction/ UC – Under Construction/ C - Complete				

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 with 50 developers for 624 units through 12/31/17. The FY18 budget spending authority for the fee-in-lieu revenue is \$500,000

Development	Zip Code	Zoning	New lots	Agreement Signed
Maple Lawn South Phase II	20759	R-ED	108	Pending
Pagan Property	21043	R-20	1	12/28/17
Estates at Schooley Mill	20777	RR-DEO	10	12/11/17
Rockburn Estates	21043	R-20	10	Pending
Robert's Crossing	21076	R-12	14	12/11/17
Crawford Subdivision	21029	RR-DEO	23	Pending