



**MODERATE INCOME HOUSING UNIT PROGRAM
PRICE & RENT SUMMARY
January 1 through June 30, 2016***

<i>For-Sale Pricing</i>		<i>Maximum Rents</i>	
Unit Type	Base House Price	Unit Size	Maximum Rent
One Bedroom		One Bedroom.....	\$1,209
Apartments.....	\$ 122,869	Two Bedroom.....	\$1,451
Proffered.....	\$ 172,017	Three Bedroom.....	\$1,677
		Four Bedroom.....	\$1,870
Two Bedrooms			
Apartments	\$ 147,443		
Back to Back Townhouse.....	\$ 212,026		
Semi-Detached & Townhouse	\$ 212,026		
Single Family Detached.....	\$ 227,834		
Proffered Units.....	\$ 228,336		
Three Bedrooms			
Apartments	\$ 170,378		
Back to Back Townhouse.....	\$ 245,008		
Semi-Detached & Townhouse	\$ 245,008		
Single Family Detached.....	\$ 263,275		
Proffered Units.....	\$ 263,855		
Four Bedrooms			
Semi-Detached & Townhouse	\$ 273,278		
Single Family Detached.....	\$ 293,653		
Proffered Units.....	\$ 293,653		

**Approved by Housing and Community Development Board on December 10, 2015*



**MODERATE INCOME HOUSING UNIT PROGRAM
BASE SALES PRICES
January 1 through June 30, 2016***

Howard County Median Income (Family of Four)..... \$ 107,490

Median Income Adjusted by Bedroom Size^(a):

Bedrooms	Adjustment Factor	Adjusted Income
1	75%	\$ 80,618
2	90%	\$ 96,741
3	104%	\$ 111,790
4	116%	\$ 124,688

Moderate Income Affordability:

Unit Type	Persons/ Household	Adjusted Income	Affordability Percentage ^(b)	Income at Which Unit Must Be Affordable
One Bedroom				
Apartments	1.5	\$ 80,618	50%	\$ 40,309
Proffered.....	1.5	\$ 80,618	70%	\$ 56,432
Two Bedrooms				
Apartments	3.0	\$ 96,741	50%	\$ 48,371
Back to Back Townhouse.....	3.0	\$ 96,741	65%	\$ 62,882
Semi-Detached & Townhouse.....	3.0	\$ 96,741	65%	\$ 62,882
Single Family Detached.....	3.0	\$ 96,741	70%	\$ 67,719
Proffered Units.....	3.0	\$ 96,741	70%	\$ 67,719
Three Bedrooms				
Apartments	4.5	\$ 111,790	50%	\$ 55,895
Back to Back Townhouse.....	4.5	\$ 111,790	65%	\$ 72,663
Semi-Detached & Townhouse.....	4.5	\$ 111,790	65%	\$ 72,663
Single Family Detached.....	4.5	\$ 111,790	70%	\$ 78,253
Proffered Units.....	4.5	\$ 111,790	70%	\$ 78,253



**MODERATE INCOME HOUSING UNIT PROGRAM
BASE SALES PRICES
January 1 through June 30, 2016***

Four Bedrooms

Semi-Detached & Townhouse.....	6.0	\$ 124,688	65%	\$	81,047
Single Family Detached.....	6.0	\$ 124,688	70%	\$	87,282
Proffered Units.....	6.0	\$ 124,688	70%	\$	87,282

Sale Price Factors:

30 Year Fixed Mortgage Interest Rate^(c)..... 4.00%

Real Estate Taxes..... 1.44%

County Tax Rate.....		1.014%
County-wide District Fire Tax.....		0.176%
Water and Sewer Ad Valorem.....		0.080%
State Tax Rate.....		0.112%
Trash Collection Fee / FHA Limit.....	\$ 225	0.055%

Property Insurance

Typical House Price/Condo Liability Coverage		\$ 410,000	\$ 300,000	0.34%
Average Insurance Premium/Average Condo Premium	\$ 1,410.00	\$ 311.00		0.10%

Association Fees

condominium	\$	3,739	0.91%
townhouse	\$	709	0.17%
single family	\$	756	0.18%

FHA Monthly Mortgage Insurance..... 0.85%

Taxes + Insurance + Association Fees+ FHA MI

condominium	3.30%
townhouse	2.80%
single family	2.82%



**MODERATE INCOME HOUSING UNIT PROGRAM
BASE SALES PRICES
January 1 through June 30, 2016***

Calculation of Sales Prices:

Unit Type	Income	28%(PITI)	T&I&AF&MI(c)	P&I	Loan Amount	House Price ¹
One Bedroom						
Apartments	\$ 40,309	\$ 11,286	4,659	\$ 6,627	\$ 119,183	\$ 122,869
Proffered.....	\$ 56,432	\$ 15,801	6,523	\$ 9,278	\$ 166,856	\$ 172,017
Two Bedrooms						
Apartments	\$ 48,371	\$ 13,544	5,591	\$ 7,953	\$ 143,019	\$ 147,443
Back to Back Townhouse.....	\$ 62,882	\$ 17,607	6,171	\$ 11,436	\$ 205,665	\$ 212,026
Semi-Detached & Townhouse.....	\$ 62,882	\$ 17,607	6,171	\$ 11,436	\$ 205,665	\$ 212,026
Single Family Detached.....	\$ 67,719	\$ 18,961	6,672	\$ 12,289	\$ 220,999	\$ 227,834
Proffered Units.....	\$ 67,719	\$ 18,961	6,645	\$ 12,316	\$ 221,486	\$ 228,336
Three Bedrooms						
Apartments	\$ 55,895	\$ 15,651	6,461	\$ 9,190	\$ 165,267	\$ 170,378
Back to Back Townhouse.....	\$ 72,663	\$ 20,346	7,131	\$ 13,215	\$ 237,658	\$ 245,008
Semi-Detached & Townhouse.....	\$ 72,663	\$ 20,346	7,131	\$ 13,215	\$ 237,658	\$ 245,008
Single Family Detached.....	\$ 78,253	\$ 21,911	7,710	\$ 14,200	\$ 255,377	\$ 263,275
Proffered Units.....	\$ 78,253	\$ 21,911	7,679	\$ 14,232	\$ 255,939	\$ 263,855
Four Bedrooms						
Semi-Detached & Townhouse.....	\$ 81,047	\$ 22,693	7,953	\$ 14,740	\$ 265,080	\$ 273,278
Single Family Detached.....	\$ 87,282	\$ 24,439	8,600	\$ 15,839	\$ 284,843	\$ 293,653
Proffered Units.....	\$ 87,282	\$ 24,439	8,600	\$ 15,839	\$ 284,843	\$ 293,653

¹Property value estimated at 3.25 times income

Notes:

- (a) Assumes 1.5 persons per bedroom.
- (b) Derived from Section 13.403(a)(6).
- (c) Survey of local FHA mortgage rates conducted 12/1/2015

*Approved by Housing and Community Development Board on December 10, 2015



**Moderate Income Housing Unit Program
For-sale Units - Eligibility Income Limits (80% of Median)**

Howard County Median Household Income (family of four)= \$107,490

Family Size	Amount
One Person.....	\$ 60,194
Two Persons.....	\$ 68,794
Three Persons.....	\$ 77,393
Four Persons.....	\$ 85,992
Five Persons.....	\$ 92,871
Six Persons.....	\$ 99,751
Seven Persons.....	\$ 106,630
Eight Persons.....	\$ 113,509



Moderate Income Housing Unit Sale Price Factors

Median Income

The Howard County Median Income as periodically determined by the U.S. Census Bureau.

FHA 30 Year Interest Rate

The Interest Rate Factor is the average of the FHA 30 year fixed rate interest rates with zero points as determined by a survey of local mortgage lenders on or about June 1 and December 1 rounded up to the next eighth point.

Real Estate Taxes

The Real Estate Factor is the total of the assessed rates for the County and State Property Taxes, the Metropolitan Fire District, the Water and Sewer, Ad Valorem, and the Trash Collection Fee.

Property Insurance

The Property Insurance Factor is derived from the average homeowner's property insurance premium for a typical \$410,000 home located in Howard County, or \$300,000 of liability coverage for a condo, assuming a \$500 deductible, as determined by a survey conducted by the Maryland Insurance Administration and published annually at www.insurance.maryland.gov.

Association Fees

The Association Fees are the average homeowner or condominium fees for residential properties constructed in Howard County within the last 10 years as determined by an annual survey of fees as reported in Metropolitan Real Estate Information System (MRIS).

FHA Mortgage Insurance

The FHA Mortgage Insurance Factor is the monthly premium collected as determined for the Federal Housing Administration by the U.S. Department of Housing and Urban Development.

Tax Rates July 1, 2015 - June 30, 2016

Real property assessed at 100% of market value; rates based upon \$100 assessment:

County: \$1.014
State: \$0.112
Fire: County-wide District: \$0.176
Water & Sewer Ad Valorem: \$0.08
Trash Fee: \$225/household/year



MODERATE INCOME HOUSING UNIT STANDARDS

Unit Type	Room Requirements	Base Square Footage
Apartment	1 Bedrooms, 1 Bath	750
	2 Bedrooms, 1-1/2 Baths	950
	3 Bedrooms, 1-1/2 Baths	1,100
Back to Back Townhouse	2 Bedrooms, 1-1/2 Baths	1,400
	3 Bedrooms, 2 Baths	1,540
Townhouse	2 Bedrooms, 1-1/2 Baths, Basement	1,500
	3 Bedrooms, 2 Baths, Basement	1,640
	4 Bedrooms, 2 Baths, Basement	1,780
Semi-Detached	2 Bedrooms, 1-1/2 Baths, Basement	1,500
	3 Bedrooms, 2 Baths, Basement	1,640
	4 Bedrooms, 2 Baths, Basement	1,780
Single Family Detached	3 Bedrooms, 2 Baths, Basement	1,680
	4 Bedrooms, 2 Baths, Basement	1,820
Proffered	3 Bedrooms, 2 Baths, Basement	1,640



MINIMUM SPECIFICATIONS FOR MODERATE INCOME HOUSING UNITS

General

All housing units must be constructed of materials comparable in grade and standards to the overall subdivision. All work must be performed in a professional and workmanlike manner, equal to the standards of the trade. All work shall satisfy Howard County building codes, ordinances and legal requirements.

Exterior Design

The Moderate Income Housing Units must be of a design and construction to ensure that the exterior features are architecturally compatible with vicinal market rate units. The units should be interspersed with the market rate units.

Type of Unit and Bedroom Size

The types of units and bedroom sizes designated as Moderate Income Housing Units, to the extent practical, will be proportional to the distribution of unit types and bedroom sizes of the overall subdivision. Units should meet or exceed the base square footage and room requirements.

Hot Water Heaters

Minimum 40 gallon electric or 30 gallon gas water heater for all one and two bedroom units. All others, must have a minimum 50 gallon electric or 40 gallon gas water heater.

Heating, Ventilation and Air Conditioning (HVAC)

Central HVAC systems must be installed in all units with the exception of apartments, which may have thru-the-wall HVAC systems.

Appliances

All appliances must meet or exceed General Electric "builders" grade specifications.

The following minimum appliances and related installations are required:

1. 16 cubic feet frost free refrigerators.
2. 30 inch electric porcelain enameled range and oven with clock/timer and range hood.
3. Dishwasher.
4. Complete electrical and plumbing connections and a dryer exhaust vent for a clothes washer and dryer.

The following optional items may be added to the sale price and may be included in the mortgage:

1. Washer and dryer.
2. Over the range microwave oven.
3. Gas water heating and gas range.
4. Garage for apartment or townhouse.
5. Additional half or full baths.
6. Accessibility options such as roll-in shower.
7. Deck

Flooring

All carpeting must meet minimum FHA specifications and all resilient flooring must be "builder" grade.

Landscaping

Each unit must have a minimum of one shade tree and eight shrubs or an equivalent planting selection.

Townhouses must have an eight foot privacy fence on each side of rear yard.

Miscellaneous

Each unit must have a linen closet or storage shelf system within each clothes closet.

Each bath must have a vanity.

Each unit must have an Extended Homeowner Warranty.



**Moderate Income Housing Unit Program
Maximum Rent Schedule
January 1 through June 30, 2016***

Median Income (family of four)

\$ 107,490

Maximum Rents

Median Income Adjusted for
Bedroom Size

Unit Size	Occupancy Base ^(a)	Adj. % ^(b)	Amount	60% of Median	Annual Rent @ 30%	Maximum Monthly Rent ^(c)
Studio	1.0	60%	\$ 64,494	\$ 38,696	\$ 11,609	967
One Bedroom.....	1.5	75%	\$ 80,618	\$ 48,371	\$ 14,511	1,209
Two Bedroom.....	3.0	90%	\$ 96,741	\$ 58,045	\$ 17,413	1,451
Three Bedroom.....	4.5	104%	\$ 111,790	\$ 67,074	\$ 20,122	1,677
Four Bedroom.....	6.0	116%	\$ 124,688	\$ 74,813	\$ 22,444	1,870

For Rent Units - Eligibility Income Limits (60% of Median):

<u>Family Size</u>	<u>Amount</u>
One Person.....	\$ 45,146
Two Persons.....	\$ 51,595
Three Persons.....	\$ 58,045
Four Persons.....	\$ 64,494
Five Persons.....	\$ 69,654
Six Persons.....	\$ 74,813
Seven Persons.....	\$ 79,973
Eight Persons.....	\$ 85,132

Notes:

- (a) Assumes average of one and one-half persons per bedroom
- (b) Adjustment up of 8% per person, down of 10% per person
- (c) Howard County utility allowances must be deducted from this amount

** Approved by Housing and Community Development Board on December 10, 2015*



HOWARD COUNTY CODE

Sec. 13.403. Prices for moderate income housing units offered for sale; rates for rental units.

(a) Initial Prices for Moderate Income Housing Units Offered for Sale. The initial sale price for a moderate income housing unit shall be determined by the commission in accordance with this subsection.

- (1) Twice a year, the commission shall establish the initial sale price for each type of moderate income housing unit offered for sale.
(2) Before establishing the initial sale price under this subsection, the commission shall publish notice of the real property tax, insurance, and interest rate factors it proposes to use in establishing the initial sales price in 2 newspapers of general circulation in the county.
(3) Before establishing the initial sale price for moderate income housing units located in planned senior communities and age-restricted adult housing developments, the commission shall consult with the office on aging.
(4) The department shall provide to the commission information concerning current real property tax and insurance rates.
(5) The initial sale prices for moderate income housing units shall be based upon:

(i) A base size unit of the following types:

Table with 2 columns: Type, Minimum (Sq. Ft.)
Single-family detached 1,680
Semi-detached (duplex) 1,500
Townhouse 1,500
Back-to-back townhouse 1,400

(ii) Factors established annually by the commission for:

- a. Real property taxes;
b. Insurance rates; and
c. Interest rates on FHA 30-year mortgages; and
d. Monthly mortgage insurance premium on FHA 30-year mortgages.

(iii) A written statement from the developer indicating the amount of the homeowners association or condominium fees that will apply to the units.

(6) The department shall provide to the commission the price at which an eligible purchaser with a household income equal to the following percentages of median income, adjusted by family size appropriate to the size and number of bedrooms in the dwelling unit, can afford to purchase a dwelling unit:

- (i) 70% for proffered units and single family homes;
(ii) 65% for semi-detached townhomes; and
(iii) 50% for apartments (condominiums).

(7) For the purposes of this subsection:

(i) A purchaser can afford to purchase a dwelling unit if the purchaser's monthly income would qualify the purchaser to obtain a 30-year fixed rate mortgage at the prevailing interest rate in an amount sufficient to pay 97% of the purchase price of the unit;

(ii) A purchaser's monthly income qualifies for a mortgage if the monthly payment required to pay (1) the monthly principal and interest of the mortgage loan, plus (2) the monthly payment of taxes and insurance on the property, calculated in accordance with the factors established by the department under subsection (a) of this section, plus (3) the monthly payment of homeowners or condominium association fees, plus (4) the monthly FHA mortgage insurance premium as determined by the Federal Housing Administration, does not exceed 28% of the purchaser's monthly income; and

(iii) The prevailing interest rate is the prevailing mortgage interest rate for FHA-insured 30-year fixed-rate mortgages in the Baltimore metropolitan area, as published periodically by the federal national mortgage association or other comparable publication as determined by the department.

(8) The department shall determine the prevailing interest rate as of December 1 and June 1 of each year.

- (9) As determined by the department, an adjustment in the sales price of a moderate income housing unit may be made for:
- (i) Single-family detached units, semi-detached units, and townhouse units without basements;
 - (ii) End units within a townhouse arrangement;
 - (iii) Additional bathrooms or powder rooms;
 - (iv) Finished basements; and
 - (v) Upgrades in design or amenities to ensure architectural compatibility with the development's market rate units.

(b) ***Rates for Rental Units .***

- (1) The department shall establish maximum rates for rental units, by bedroom size, that are equal to 30% of the monthly income of a household whose annual income does not exceed 60% of the median income.
- (2) The maximum rental rates shall include an allowance for utilities paid by the tenant. The allowance shall be calculated by the department based upon the average utility costs prevailing for similar sized units in Howard County. If required by the lease, all utility costs, including those in excess of the allowance, shall be paid by the tenant.

Section 13.402C. Alternatives to moderate income housing unit obligation in certain zones.

(e) The developer may pay a fee-in-lieu to the Department for each unit in the development or portion of the development that is not providing MIHUs onsite:

- (1) The fee-in-lieu for Fiscal Year 2016 shall be \$2.07 per square foot of residential space for each unit in the development as calculated for the building excise tax, Section 20, Subtitle 5 of the Howard County Code of Maryland.
- (2) The fee-in-lieu shall be set yearly by Council resolution based upon the percentage of increase in the ENR Construction Cost Index for the Baltimore Region as reported in ENR, Engineering News Record.