

## Sayers, Margery

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**From:** Cimino, Kelly  
**Sent:** Saturday, June 6, 2020 9:28 AM  
**To:** Caroline Harper; Grace Morris; Linda Skelton; Maurice Zeitler; Mike Sloan (mikesloan@northprorealty.com); Basu, Mitra  
**Cc:** Deik, Tracy; Kareem, Quanita; Wiseman, Lisa; Tucker, Constance; Jeff Kirby; Jake Kirby  
**Subject:** Housing and Community Development Board Meeting on June 11, 2020  
**Attachments:** HCDB Agenda 6.11.20.docx; HCDB Minutes 4-9-20.doc; 07-01-2020 MIHU price schedule (unpublished).xls; 07-01-2020 LIHU price schedule (unpublished).xls; Memo to HCDB - MIHUs and Dorsey Overlook.06.01.20.pdf; Dorsey Overlook Request Letter from developer 04.13.20.pdf

Good morning,

Hope everyone is doing well. The next meeting of the Housing and Community Development Board will be held on **Thursday, June 11th at 6:00 pm** as a WebEx Meeting Conference. The meeting agenda, April meeting minutes, July 1 MIHU and LIHU/DIHU Pricing Standards and information for the action item related to Dorsey Overlook are attached. The Director's Report and MIHU Report will be emailed to you prior to the meeting.

The meeting link, call in number and instructions are shown here. A password is now required. If you need technical assistance before or during the call, please contact Quanita at (443) 909-6009.

Meeting link:

<https://howardcountymd.webex.com/howardcountymd/j.php?MTID=mcfc3172186ad7e5901e60632be86679b>

Dial-In Number: 1-650-479-3207

Meeting ID: 160 803 4687

Password: Board\_DHCD321!

A quorum is needed to pass the July 1 MIHU and LIHU/DIHU Pricing Standards and make a recommendation on the action item so please reply to Tracy regarding your attendance by Wednesday, June 10<sup>th</sup>.

Thank you,

*Kelly Cimino*

*Director*

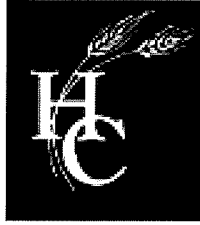
Department of Housing and Community Development

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## DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

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June 11, 2020

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT BOARD

9820 Patuxent Woods Drive, Suite 224, Columbia, MD

- I. **Call to Order**
- II. **Approval of Agenda**
- III. **Introduction of Guests**
- IV. **Approval of April 2020 Minutes**
- V. **Director's Report**
- VI. **MIHU Report**
- VII. **Action Item** – Approval of July 2020 MIHU/LIHU/DIHU Pricing and Standards
- VIII. **Action Item** – Transfer of units to Dorsey Overlook project
- IX. **Discussion** – Housing Board's advocacy role
- X. **Member comments**
- XI. **Adjournment**

# April 9, 2020 MINUTES

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## HOWARD COUNTY DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT BOARD

9820 Patuxent Woods Drive, Columbia, MD 21046

*WebEx Conference Call*

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### HCDB Members Present

Maury Zeitler, *Chair*  
Mike Sloan, *Vice Chair*  
Mitra Basu  
Dr. Caroline Harper  
Grace Morris  
Linda Skelton

### HCDB Members Absent

### Staff Present

Kelly Cimino, *Director*  
Quanita Kareem, *Compliance Officer*  
Elizabeth Meadows, *Chief, Community Planning & Grants*  
Lisa Wiseman, *Division Chief, Housing Opportunities Programs*

### Staff Absent

### Guests/Visitors

### Recording Secretary

Tracy Deik

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## I. CALL TO ORDER 6:04 P.M.

- With a quorum present, Chairperson Zeitler called the April 9, 2020 WebEx meeting of the Department of Housing and Community Development Board to order at 6:04 P.M.

## II. APPROVAL OF AGENDA

- *Linda Skelton motioned to approve the April 9, 2020 Agenda as submitted. Motion passed 6-0.*

## III. INTRODUCTION OF GUESTS

- No guests were present at the board meeting.

## IV. APPROVAL OF FEBRUARY 2020 MINUTES

- The February 13, 2020 Minutes were e-mailed to all board members for review and comments. *Grace Morris motioned to approve the minutes as submitted. Motion passed 6-0.*

**V. DIRECTOR'S REPORT (attached)**

- Board members were emailed a copy of the March 2020 Director's Report in advance of the meeting.
- Current information related to COVID-19 and the County's response can be obtained by visiting the County's website.
- While County offices are closed to the public, DHCD continues to provide resources & services to County residents. Half of the department staff is teleworking full time, and the other half is splitting time between the office and teleworking.
- SDLP funds for FY20 are still available. Loan packages should be emailed to the Department for processing.
- The scheduled Housing Opportunities Master Plan Task Force workgroup meetings in March were conducted virtually. Community engagement sessions and pop-up events have been postponed.

**VI. MIHU REPORT (attached)**

- Board members were emailed a copy of the March 2020 MIHU Report in advance of the meeting.
- Homebuyer Education Workshops scheduled for March & April were cancelled.
- Priority periods for 3 units in River Overlook and 4 units in Delacour at Bluestream have been established.
- Six MIHU candidates are under contract and pending settlement.
- MIHU resales have been postponed until the State of Emergency is lifted.

**VII. HOUSING OPPORTUNITIES MASTER PLAN UPDATE**

- The Department and Consultant are working to keep the Master Plan moving forward; however, the timeline for the Plan's completion may have to be adjusted over the next few months. More updates to follow.

**VIII. ACTION ITEM- PUBLIC HEARING AND APPROVAL OF FFY2020 ANNUAL ACTION PLAN & FFY2020-2024 CONSOLIDATED PLAN FOR SUBMISSION TO HUD**

- Board Members were emailed a copy of the Howard County Citizen Participation Narrative & FFY2020-2024 Consolidated Plan Briefing Notes in advance of the meeting (attached). Members were also asked to review the County's 5-year Consolidated Plan and 1-year Annual Action Plan on the Department's website.
- The April 9<sup>th</sup> HCD Board meeting also serves as one of the required public hearings set forth by HUD. The final public hearing will be held at the County Council Telework Session on April 20.
- *After reviewing the information, the Board voted unanimously to submit the draft Con Plan and AAP to the County Council for approval before the final plans are submitted to HUD on May 17.*

- In response to the COVID-19 outbreak, DHCD will receive \$770,356 in CDBG funds. Funds will be distributed among local housing providers to support residents facing eviction due to COVID-19.

**IX. MEMBER COMMENTS**

- Board members were reminded to complete the Census and their financial disclosures by April 30.

**X. ADJOURNMENT 6:25 P.M.**

- *Grace Morris motioned to adjourn the April 2020 HCD Board Meeting at 6:25 P.M. Motion passed 6-0.*

Respectfully submitted by,  
*Tracy Deik*

***Next Meeting:***  
***Housing and Community Development Board***  
***June 11, 2020***



**MODERATE INCOME HOUSING UNIT PROGRAM  
PRICE & RENT SUMMARY  
July 1 through December 31, 2020\***

| <i>For-Sale Pricing</i>     |                         | <i>Maximum Rents</i> |                     |
|-----------------------------|-------------------------|----------------------|---------------------|
| <b>Unit Type</b>            | <b>Base House Price</b> | <b>Unit Size</b>     | <b>Maximum Rent</b> |
| <b>Studio</b>               |                         |                      |                     |
| Apartments.....             | \$ 132,375              |                      |                     |
| Proffered.....              | \$ 185,325              |                      |                     |
| <b>One Bedroom</b>          |                         | Studio.....          | \$1,214             |
| Apartments.....             | \$ 141,830              | One Bedroom.....     | \$1,300             |
| Proffered.....              | \$ 198,562              | Two Bedroom.....     | \$1,560             |
| <b>Two Bedrooms</b>         |                         | Three Bedroom.....   | \$1,803             |
| Apartments .....            | \$ 170,196              | Four Bedroom.....    | \$2,011             |
| Back to Back Townhouse..... | \$ 250,175              |                      |                     |
| Semi-Detached & Townhouse.. | \$ 250,175              |                      |                     |
| Single Family Detached..... | \$ 267,592              |                      |                     |
| Proffered Units.....        | \$ 269,419              |                      |                     |
| <b>Three Bedrooms</b>       |                         |                      |                     |
| Apartments .....            | \$ 196,671              |                      |                     |
| Back to Back Townhouse..... | \$ 289,091              |                      |                     |
| Semi-Detached & Townhouse.. | \$ 289,091              |                      |                     |
| Single Family Detached..... | \$ 309,218              |                      |                     |
| Proffered Units.....        | \$ 311,329              |                      |                     |
| <b>Four Bedrooms</b>        |                         |                      |                     |
| Semi-Detached & Townhouse.. | \$ 322,448              |                      |                     |
| Single Family Detached..... | \$ 344,897              |                      |                     |
| Proffered Units.....        | \$ 344,897              |                      |                     |

\*Pending approval by Housing and Community Development Board



**MODERATE INCOME HOUSING UNIT PROGRAM  
BASE SALES PRICES  
July 1 through December 31, 2020\***

Howard County Median Income (Family of Four)..... \$ 115,576

**Median Income Adjusted by Bedroom Size<sup>(a)</sup>:**

| Bedrooms | Adjustment Factor | Adjusted Income |
|----------|-------------------|-----------------|
| 0        | 70%               | \$ 80,903       |
| 1        | 75%               | \$ 86,682       |
| 2        | 90%               | \$ 104,018      |
| 3        | 104%              | \$ 120,199      |
| 4        | 116%              | \$ 134,068      |

**Moderate Income Affordability:**

| Unit Type                      | Persons/<br>Household | Adjusted<br>Income | Affordability<br>Percentage <sup>(b)</sup> | Income at<br>Which Unit<br>Must Be<br>Affordable |
|--------------------------------|-----------------------|--------------------|--|--|
| <b>Studio</b>                  |                       |                    |  |  |
| Apartments .....               | 1.0                   | \$ 80,903          | 50%  | \$ 40,452  |
| Proffered .....                | 1.0                   | \$ 80,903          | 70%  | \$ 56,632  |
| <b>One Bedroom</b>             |                       |                    |  |  |
| Apartments .....               | 1.5                   | \$ 86,682          | 50%  | \$ 43,341  |
| Proffered.....                 | 1.5                   | \$ 86,682          | 70%  | \$ 60,677  |
| <b>Two Bedrooms</b>            |                       |                    |  |  |
| Apartments .....               | 3.0                   | \$ 104,018         | 50%  | \$ 52,009  |
| Back to Back Townhouse.....    | 3.0                   | \$ 104,018         | 65%  | \$ 67,612  |
| Semi-Detached & Townhouse..... | 3.0                   | \$ 104,018         | 65%  | \$ 67,612  |
| Single Family Detached.....    | 3.0                   | \$ 104,018         | 70%  | \$ 72,813  |
| Proffered Units.....           | 3.0                   | \$ 104,018         | 70%  | \$ 72,813  |
| <b>Three Bedrooms</b>          |                       |                    |  |  |
| Apartments .....               | 4.5                   | \$ 120,199         | 50%  | \$ 60,100  |
| Back to Back Townhouse.....    | 4.5                   | \$ 120,199         | 65%  | \$ 78,129  |
| Semi-Detached & Townhouse..... | 4.5                   | \$ 120,199         | 65%  | \$ 78,129  |
| Single Family Detached.....    | 4.5                   | \$ 120,199         | 70%  | \$ 84,139  |
| Proffered Units.....           | 4.5                   | \$ 120,199         | 70%  | \$ 84,139  |



**MODERATE INCOME HOUSING UNIT PROGRAM  
BASE SALES PRICES  
July 1 through December 31, 2020\***

**Four Bedrooms**

|                                |     |    |         |     |    |               |
|--------------------------------|-----|----|---------|-----|----|---------------|
| Semi-Detached & Townhouse..... | 6.0 | \$ | 134,068 | 65% | \$ | <b>87,144</b> |
| Single Family Detached.....    | 6.0 | \$ | 134,068 | 70% | \$ | <b>93,848</b> |
| Proffered Units.....           | 6.0 | \$ | 134,068 | 70% | \$ | <b>93,848</b> |

**Sale Price Factors:**

**30 Year Fixed Mortgage Interest Rate<sup>(c)</sup>..... 3.125%**

**Real Estate Taxes..... 1.51%**

|                                       |    |     |  |        |
|---------------------------------------|----|-----|--|--------|
| County Tax Rate.....                  |    |     |  | 1.014% |
| County-wide District Fire Tax.....    |    |     |  | 0.236% |
| Water and Sewer Ad Valorem.....       |    |     |  | 0.080% |
| State Tax Rate.....                   |    |     |  | 0.112% |
| Trash Collection Fee / FHA Limit..... | \$ | 310 |  | 0.071% |

**Property Insurance**

|   |    |          |    |         |    |         |              |
|---|----|----------|----|---------|----|---------|--------------|
| Typical House Price/Condo Liability Coverage    |    |          | \$ | 434,700 | \$ | 300,000 | <b>0.30%</b> |
| Average Insurance Premium/Average Condo Premium | \$ | 1,289.00 | \$ | 396.00  |    |         | <b>0.13%</b> |

**Association Fees**

|               |    |       |              |
|---------------|----|-------|--------------|
| condominium   | \$ | 4,108 | <b>0.95%</b> |
| townhouse     | \$ | 802   | <b>0.18%</b> |
| single family | \$ | 954   | <b>0.22%</b> |

**FHA Monthly Mortgage Insurance..... 0.85%**

|   |  |  |  |               |              |
|---|--|--|--|---------------|--------------|
| <b>Taxes + Insurance + Association Fees+ FHA MI</b> |  |  |  | condominium   | <b>3.44%</b> |
|   |  |  |  | townhouse     | <b>2.84%</b> |
|   |  |  |  | single family | <b>2.88%</b> |

**Calculation of Sales Prices:**

| Unit Type          | Income    | 28%(PITI) | T&I&AF&MI(c) | P&I      | Loan Amount | House Price <sup>1</sup> |
|--------------------|-----------|-----------|--------------|----------|-------------|--------------------------|
| <b>Studio</b>      |           |           |              |          |             |                          |
| Apartments .....   | \$ 40,452 | \$ 11,326 | 4,871        | \$ 6,456 | \$ 128,403  | \$ 132,375               |
| Proffered .....    | \$ 56,632 | \$ 15,857 | 6,819        | \$ 9,038 | \$ 179,765  | \$ 185,325               |
| <b>One Bedroom</b> |           |           |              |          |             |                          |
| Apartments .....   | \$ 43,341 | \$ 12,135 | 5,219        | \$ 6,917 | \$ 137,575  | \$ 141,830               |
| Proffered.....     | \$ 60,677 | \$ 16,990 | 7,306        | \$ 9,683 | \$ 192,605  | \$ 198,562               |

**Two Bedrooms**





**MODERATE INCOME HOUSING UNIT PROGRAM  
BASE SALES PRICES  
July 1 through December 31, 2020\***

|                                |           |           |       |           |            |            |
|--------------------------------|-----------|-----------|-------|-----------|------------|------------|
| Apartments .....               | \$ 52,009 | \$ 14,563 | 6,263 | \$ 8,300  | \$ 165,090 | \$ 170,196 |
| Back to Back Townhouse.....    | \$ 67,612 | \$ 18,931 | 6,731 | \$ 12,200 | \$ 242,670 | \$ 250,175 |
| Semi-Detached & Townhouse..... | \$ 67,612 | \$ 18,931 | 6,731 | \$ 12,200 | \$ 242,670 | \$ 250,175 |
| Single Family Detached.....    | \$ 72,813 | \$ 20,388 | 7,338 | \$ 13,050 | \$ 259,564 | \$ 267,592 |
| Proffered Units.....           | \$ 72,813 | \$ 20,388 | 7,249 | \$ 13,139 | \$ 261,337 | \$ 269,419 |
| <b>Three Bedrooms</b>          |           |           |       |           |            |            |
| Apartments .....               | \$ 60,100 | \$ 16,828 | 7,237 | \$ 9,591  | \$ 190,771 | \$ 196,671 |
| Back to Back Townhouse.....    | \$ 78,129 | \$ 21,876 | 7,778 | \$ 14,098 | \$ 280,419 | \$ 289,091 |
| Semi-Detached & Townhouse..... | \$ 78,129 | \$ 21,876 | 7,778 | \$ 14,098 | \$ 280,419 | \$ 289,091 |
| Single Family Detached.....    | \$ 84,139 | \$ 23,559 | 8,479 | \$ 15,080 | \$ 299,941 | \$ 309,218 |
| Proffered Units.....           | \$ 84,139 | \$ 23,559 | 8,376 | \$ 15,183 | \$ 301,989 | \$ 311,329 |
| <b>Four Bedrooms</b>           |           |           |       |           |            |            |
| Semi-Detached & Townhouse..... | \$ 87,144 | \$ 24,400 | 8,675 | \$ 15,725 | \$ 312,775 | \$ 322,448 |
| Single Family Detached.....    | \$ 93,848 | \$ 26,277 | 9,458 | \$ 16,820 | \$ 334,550 | \$ 344,897 |
| Proffered Units.....           | \$ 93,848 | \$ 26,277 | 9,458 | \$ 16,820 | \$ 334,550 | \$ 344,897 |

\*Property value estimated at 3.5 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 6/1/2020

\*Pending approval by Housing and Community Development Board



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

Howard County Median Household Income (family of four)=            \$115,576

| <b>Family Size</b> | <b>Amount</b> |
|--------------------|---------------|
| One Person.....    | \$ 64,723     |
| Two Persons.....   | \$ 73,969     |
| Three Persons..... | \$ 83,215     |
| Four Persons.....  | \$ 92,461     |
| Five Persons.....  | \$ 99,858     |
| Six Persons.....   | \$ 107,255    |
| Seven Persons..... | \$ 114,651    |
| Eight Persons..... | \$ 122,048    |



## **Moderate Income Housing Unit Sale Price Factors**

### **Median Income**

The Howard County Median Income as determined by the most recent 5-year Estimate from the U.S. Census Bureau's American Community Survey.

### **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 \$434,700 home located in Howard County, assuming a \$1000 deductible, 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](http://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, 2020 - June 30, 2021**

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

County: \$1.014  
State: \$0.112  
Fire: County-wide District: \$0.236  
Water & Sewer Ad Valorem: \$0.08  
Trash Fee: \$310/household/year



## MODERATE INCOME HOUSING UNIT STANDARDS

| Unit Type              | Room Requirements                 | Base Square Footage |
|------------------------|-----------------------------------|---------------------|
| Apartment              | 0 Bedroom, 1 Bath                 | 600                 |
|                        | 1 Bedroom, 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 | 2 Bedrooms, 1 Bath, Basement      | 1,540               |
|                        | 3 Bedrooms, 2 Baths, Basement     | 1,680               |
|                        | 4 Bedrooms, 2 Baths, Basement     | 1,820               |
| Proffered              | 3 Bedrooms, 2 Baths, Basement     | 1,640               |

\*Basements may be unfinished



## **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

### **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. Deck.
5. Additional half or full baths.
6. Accessibility options such as roll-in shower.

### **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 an Extended Homeowner Warranty.



**Moderate Income Housing Unit Program  
Maximum Rent Schedule  
July 1 through December 31, 2020\***

Median Income (family of four)

**\$ 115,576**

**Maximum Rents**

| Unit Size          | Occupancy Base <sup>(a)</sup> | Median Income Adjusted for Bedroom Size |            | 60% of Median | Annual Rent @ 30% | Maximum Monthly Rent <sup>(c)</sup> |
|--------------------|-------------------------------|---|------------|---------------|-------------------|-------------------------------------|
|                    |                               | Adj. % <sup>(b)</sup>                   | Amount     |               |                   |                                     |
| Studio .....       | 1.0                           | 70%                                     | \$ 80,903  | \$ 48,542     | \$ 14,563         | 1,214                               |
| One Bedroom.....   | 1.5                           | 75%                                     | \$ 86,682  | \$ 52,009     | \$ 15,603         | 1,300                               |
| Two Bedroom.....   | 3.0                           | 90%                                     | \$ 104,018 | \$ 62,411     | \$ 18,723         | 1,560                               |
| Three Bedroom..... | 4.5                           | 104%                                    | \$ 120,199 | \$ 72,119     | \$ 21,636         | 1,803                               |
| Four Bedroom.....  | 6.0                           | 116%                                    | \$ 134,068 | \$ 80,441     | \$ 24,132         | 2,011                               |

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

| <u>Family Size</u> | <u>Amount</u> |
|--------------------|---------------|
| One Person.....    | \$ 48,542     |
| Two Persons.....   | \$ 55,476     |
| Three Persons..... | \$ 62,411     |
| Four Persons.....  | \$ 69,346     |
| Five Persons.....  | \$ 74,893     |
| Six Persons.....   | \$ 80,441     |
| Seven Persons..... | \$ 85,989     |
| Eight Persons..... | \$ 91,536     |

**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

*\*Pending approval by Housing and Community Development Board*



**HOWARD COUNTY CODE**

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

(a) **Base Prices for Moderate Income Housing Units Offered for Sale.** The base sale price for a moderate income housing unit shall be determined by the Housing and Community Development Board in accordance with this subsection.

- (1) Twice a year, the Board shall establish the base sale price for each type of moderate income housing unit offered for sale.
- (2) Before establishing the base sale price under this subsection, the Board shall provide information concerning the real property tax, insurance, and interest rate factors it proposes to use in establishing the base sale price on the County's website.
- (3) Before establishing the base sale price for moderate income housing units located in planned senior communities and age-restricted adult housing developments, the Board shall consult with the Office on Aging and Independence.
- (4) The Department shall provide to the Board information concerning current real property tax and insurance rates.
- (5) The base sale prices for moderate income housing units shall be based on the square footage as calculated by the County for purposes of determining a unit's building excise tax when applying for a building permit.

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

| Type                       | Minimum (Sq. Ft.) |
|----------------------------|-------------------|
| Studio                     | 600               |
| Apartment                  | 750               |
| Single-family detached     | 1,540             |
| Townhouse or Semi-Detached | 1,500             |
| Back-to-Back townhouse     | 1,400             |

(ii) Factors established annually by the Board for:

- a. Real property taxes; and
- b. Insurance rates;

(iii) Factors established twice a year by the Board for:

- a. Interest rates on FHA 30-year mortgages; and
- b. FHA mortgage insurance premiums as determined by the U.S. Department of HUD; and

(iv) An average of homeowners' association fees or condo fees charged for similar units in the market, based on an annual survey of fees.

(6) The Department shall provide to the Board 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 payment of the FHA mortgage insurance premium, 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 with zero points. The Department shall calculate the prevailing interest rate by surveying, twice a year, at least three mortgage lenders and two banks for the previous business day.

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

(9) As determined by the regulations of the Department, an increase in the base sale price of a moderate income housing unit may be made for the following upgrades in size, design or amenities provided that the Board determines that they are necessary to ensure compatibility with the development's market rate units:

- (i) Single-family attached (townhouse or condominium) units that are larger than the base size established by this section;

- (ii) Additional bathrooms or powder rooms;
- (iii) Other upgrades in design or amenities that are necessary 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 2021 shall be \$2.67 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 MD. The fee-in-lieu shall be based on the square footage calculated by the County for purposes of determining a unit's building excise tax when applying for a building permit.

- (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.





**HOWARD COUNTY CODE**

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

(a) **Base Prices for Moderate Income Housing Units Offered for Sale.** The base sale price for a moderate income housing unit shall be determined by the Housing and Community Development Board in accordance with this subsection.

- (1) Twice a year, the Board shall establish the base sale price for each type of moderate income housing unit offered for sale.
- (2) Before establishing the base sale price under this subsection, the Board shall provide information concerning the real property tax, insurance, and interest rate factors it proposes to use in establishing the base sale price on the County's website.
- (3) Before establishing the base sale price for moderate income housing units located in planned senior communities and age-restricted adult housing developments, the Board shall consult with the Office on Aging and Independence.
- (4) The Department shall provide to the Board information concerning current real property tax and insurance rates.
- (5) The base sale prices for moderate income housing units shall be based on the square footage as calculated by the County for purposes of determining a unit's building excise tax when applying for a building permit.

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

| Type                       | Minimum (Sq. Ft.) |
|----------------------------|-------------------|
| Studio                     | 600               |
| Apartment                  | 750               |
| Single-family detached     | 1,540             |
| Townhouse or Semi-Detached | 1,500             |
| Back-to-Back townhouse     | 1,400             |

(ii) Factors established annually by the Board for:

- a. Real property taxes; and
- b. Insurance rates;

(iii) Factors established twice a year by the Board for:

- a. Interest rates on FHA 30-year mortgages; and
- b. FHA mortgage insurance premiums as determined by the U.S. Department of HUD; and

(iv) An average of homeowners' association fees or condo fees charged for similar units in the market, based on an annual survey of fees.

(6) The Department shall provide to the Board 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 payment of the FHA mortgage insurance premium, 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 with zero points. The Department shall calculate the prevailing interest rate by surveying, twice a year, at least three mortgage lenders and two banks for the previous business day.

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

(9) As determined by the regulations of the Department, an increase in the base sale price of a moderate income housing unit may be made for the following upgrades in size, design or amenities provided that the Board determines that they are necessary to ensure compatibility with the development's market rate units:

- (i) Single-family attached (townhouse or condominium) units that are larger than the base size established by this section;

- (ii) Additional bathrooms or powder rooms;
- (iii) Other upgrades in design or amenities that are necessary 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 2021 shall be \$2.67 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 MD. The fee-in-lieu shall be based on the square footage calculated by the County for purposes of determining a unit's building excise tax when applying for a building permit.

- (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.



**MODERATE INCOME HOUSING UNIT PROGRAM  
PRICE & RENT SUMMARY FOR LOW INCOME HOUSING UNITS (LIHU)  
July 1 through December 31, 2020\***

| <i>For-Sale Pricing</i>     |                         | <i>Maximum Rents</i> |                     |
|-----------------------------|-------------------------|----------------------|---------------------|
| <b>Unit Type</b>            | <b>Base House Price</b> | <b>Unit Size</b>     | <b>Maximum Rent</b> |
| <b>Studio</b>               |                         |                      |                     |
| Apartments.....             | \$ 114,838              |                      |                     |
| Proffered.....              | \$ 140,358              | <b>LIHU</b>          |                     |
|                             |                         | Studio.....          | \$809               |
| <b>One Bedroom</b>          |                         |                      |                     |
| Apartments.....             | \$ 123,041              | One Bedroom.....     | \$867               |
| Proffered.....              | \$ 150,384              | Two Bedroom.....     | \$1,040             |
|                             |                         | Three Bedroom.....   | \$1,202             |
|                             |                         | Four Bedroom.....    | \$1,341             |
| <b>Two Bedrooms</b>         |                         |                      |                     |
| Apartments .....            | \$ 147,649              | <b>DIHU</b>          |                     |
| Back to Back Townhouse..... | \$ 192,442              | Studio.....          | \$405               |
| Semi-Detached & Townhouse.. | \$ 192,442              | One Bedroom.....     | \$433               |
| Single Family Detached..... | \$ 210,251              | Two Bedroom.....     | \$520               |
| Proffered Units.....        | \$ 211,687              | Three Bedroom.....   | \$601               |
|                             |                         | Four Bedroom.....    | \$670               |
| <b>Three Bedrooms</b>       |                         |                      |                     |
| Apartments .....            | \$ 170,617              |                      |                     |
| Back to Back Townhouse..... | \$ 222,378              |                      |                     |
| Semi-Detached & Townhouse.. | \$ 222,378              |                      |                     |
| Single Family Detached..... | \$ 242,957              |                      |                     |
| Proffered Units.....        | \$ 244,616              |                      |                     |
| <b>Four Bedrooms</b>        |                         |                      |                     |
| Semi-Detached & Townhouse.. | \$ 248,037              |                      |                     |
| Single Family Detached..... | \$ 270,990              |                      |                     |
| Proffered Units.....        | \$ 270,990              |                      |                     |

*\*Pending approval by Housing and Community Development Board*



**MODERATE INCOME HOUSING UNIT PROGRAM  
BASE SALES PRICES FOR LOW INCOME HOUSING UNITS (LIHU)  
July 1 through December 31, 2020\***

Howard County Median Income (Family of Four)..... \$ 115,576

Median Income Adjusted by Bedroom Size<sup>(a)</sup>:

| Bedrooms | Adjustment Factor | Adjusted Income |
|----------|-------------------|-----------------|
| 0        | 70%               | \$ 80,903       |
| 1        | 75%               | \$ 86,682       |
| 2        | 90%               | \$ 104,018      |
| 3        | 104%              | \$ 120,199      |
| 4        | 116%              | \$ 134,068      |

Moderate Income Affordability:

| Unit Type                      | Persons/<br>Household | Adjusted<br>Income | Affordability<br>Percentage <sup>(b)</sup> | Income at<br>Which Unit<br>Must Be<br>Affordable |
|--------------------------------|-----------------------|--------------------|--|--|
| <b>Studio</b>                  |                       |                    |  |  |
| Apartments .....               | 1.0                   | \$ 80,903          | 45%  | \$ 36,406  |
| Proffered .....                | 1.0                   | \$ 80,903          | 55%  | \$ 44,497  |
| <b>One Bedroom</b>             |                       |                    |  |  |
| Apartments .....               | 1.5                   | \$ 86,682          | 45%  | \$ 39,007  |
| Proffered.....                 | 1.5                   | \$ 86,682          | 55%  | \$ 47,675  |
| <b>Two Bedrooms</b>            |                       |                    |  |  |
| Apartments .....               | 3.0                   | \$ 104,018         | 45%  | \$ 46,808  |
| Back to Back Townhouse.....    | 3.0                   | \$ 104,018         | 50%  | \$ 52,009  |
| Semi-Detached & Townhouse..... | 3.0                   | \$ 104,018         | 50%  | \$ 52,009  |
| Single Family Detached.....    | 3.0                   | \$ 104,018         | 55%  | \$ 57,210  |
| Proffered Units.....           | 3.0                   | \$ 104,018         | 55%  | \$ 57,210  |
| <b>Three Bedrooms</b>          |                       |                    |  |  |
| Apartments .....               | 4.5                   | \$ 120,199         | 45%  | \$ 54,090  |
| Back to Back Townhouse.....    | 4.5                   | \$ 120,199         | 50%  | \$ 60,100  |
| Semi-Detached & Townhouse..... | 4.5                   | \$ 120,199         | 50%  | \$ 60,100  |
| Single Family Detached.....    | 4.5                   | \$ 120,199         | 55%  | \$ 66,109  |
| Proffered Units.....           | 4.5                   | \$ 120,199         | 55%  | \$ 66,109  |



**MODERATE INCOME HOUSING UNIT PROGRAM  
BASE SALES PRICES FOR LOW INCOME HOUSING UNITS (LIHU)  
July 1 through December 31, 2020\***

**Four Bedrooms**

|                                |     |    |         |     |    |               |
|--------------------------------|-----|----|---------|-----|----|---------------|
| Semi-Detached & Townhouse..... | 6.0 | \$ | 134,068 | 50% | \$ | <b>67,034</b> |
| Single Family Detached.....    | 6.0 | \$ | 134,068 | 55% | \$ | <b>73,737</b> |
| Proffered Units.....           | 6.0 | \$ | 134,068 | 55% | \$ | <b>73,737</b> |

**Sale Price Factors:**

**30 Year Fixed Mortgage Interest Rate<sup>(c)</sup>..... 3.125%**

**Real Estate Taxes..... 1.51%**

|                                       |    |     |  |        |
|---------------------------------------|----|-----|--|--------|
| County Tax Rate.....                  |    |     |  | 1.014% |
| County-wide District Fire Tax.....    |    |     |  | 0.236% |
| Water and Sewer Ad Valorem.....       |    |     |  | 0.080% |
| State Tax Rate.....                   |    |     |  | 0.112% |
| Trash Collection Fee / FHA Limit..... | \$ | 310 |  | 0.071% |

**Property Insurance**

|   |    |          |    |         |    |         |              |
|---|----|----------|----|---------|----|---------|--------------|
| Typical House Price/Condo Liability Coverage    |    |          | \$ | 434,700 | \$ | 300,000 | <b>0.30%</b> |
| Average Insurance Premium/Average Condo Premium | \$ | 1,289.00 | \$ | 396.00  |    |         | <b>0.30%</b> |

**Association Fees**

|               |    |       |              |
|---------------|----|-------|--------------|
| condominium   | \$ | 4,108 | <b>0.95%</b> |
| townhouse     | \$ | 802   | <b>0.18%</b> |
| single family | \$ | 954   | <b>0.22%</b> |

**FHA Monthly Mortgage Insurance..... 0.85%**

**Taxes + Insurance + Association Fees+ FHA MI**

|               |              |
|---------------|--------------|
| condominium   | <b>3.60%</b> |
| townhouse     | <b>2.84%</b> |
| single family | <b>2.88%</b> |



**MODERATE INCOME HOUSING UNIT PROGRAM  
BASE SALES PRICES FOR LOW INCOME HOUSING UNITS (LIHU)  
July 1 through December 31, 2020\***

**Calculation of Sales Prices:**

| Unit Type                      | Income    | 28%(PITI) | T&I&AF&MI(c) | P&I       | Loan Amount | House Price <sup>1</sup> |
|--------------------------------|-----------|-----------|--------------|-----------|-------------|--------------------------|
| <b>Studio</b>                  |           |           |              |           |             |                          |
| Apartments .....               | \$ 36,406 | \$ 10,194 | 4,593        | \$ 5,600  | \$ 111,393  | \$ 114,838               |
| Proffered .....                | \$ 44,497 | \$ 12,459 | 5,614        | \$ 6,845  | \$ 136,147  | \$ 140,358               |
| <b>One Bedroom</b>             |           |           |              |           |             |                          |
| Apartments .....               | \$ 39,007 | \$ 10,922 | 4,922        | \$ 6,000  | \$ 119,350  | \$ 123,041               |
| Proffered.....                 | \$ 47,675 | \$ 13,349 | 6,015        | \$ 7,334  | \$ 145,872  | \$ 150,384               |
| <b>Two Bedrooms</b>            |           |           |              |           |             |                          |
| Apartments .....               | \$ 46,808 | \$ 13,106 | 5,906        | \$ 7,201  | \$ 143,220  | \$ 147,649               |
| Back to Back Townhouse.....    | \$ 52,009 | \$ 14,563 | 5,178        | \$ 9,385  | \$ 186,669  | \$ 192,442               |
| Semi-Detached & Townhouse..... | \$ 52,009 | \$ 14,563 | 5,178        | \$ 9,385  | \$ 186,669  | \$ 192,442               |
| Single Family Detached.....    | \$ 57,210 | \$ 16,019 | 5,765        | \$ 10,253 | \$ 203,944  | \$ 210,251               |
| Proffered Units.....           | \$ 57,210 | \$ 16,019 | 5,695        | \$ 10,323 | \$ 205,336  | \$ 211,687               |
| <b>Three Bedrooms</b>          |           |           |              |           |             |                          |
| Apartments .....               | \$ 54,090 | \$ 15,145 | 6,824        | \$ 8,321  | \$ 165,499  | \$ 170,617               |
| Back to Back Townhouse.....    | \$ 60,100 | \$ 16,828 | 5,983        | \$ 10,845 | \$ 215,707  | \$ 222,378               |
| Semi-Detached & Townhouse..... | \$ 60,100 | \$ 16,828 | 5,983        | \$ 10,845 | \$ 215,707  | \$ 222,378               |
| Single Family Detached.....    | \$ 66,109 | \$ 18,511 | 6,662        | \$ 11,848 | \$ 235,668  | \$ 242,957               |
| Proffered Units.....           | \$ 66,109 | \$ 18,511 | 6,581        | \$ 11,929 | \$ 237,277  | \$ 244,616               |
| <b>Four Bedrooms</b>           |           |           |              |           |             |                          |
| Semi-Detached & Townhouse..... | \$ 67,034 | \$ 18,770 | 6,673        | \$ 12,096 | \$ 240,596  | \$ 248,037               |
| Single Family Detached.....    | \$ 73,737 | \$ 20,646 | 7,431        | \$ 13,216 | \$ 262,861  | \$ 270,990               |
| Proffered Units.....           | \$ 73,737 | \$ 20,646 | 7,431        | \$ 13,216 | \$ 262,861  | \$ 270,990               |

<sup>1</sup>Property value estimated at 3.5 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 6/1/2020

\*Pending approval by Housing and Community Development Board



**Moderate Income Housing Unit Program**  
**For Low Income Housing Units**  
**For-sale Units - Eligibility Income Limits (60% of Median)**

Howard County Median Household Income (family of four)= \$115,576

| <b>Family Size</b> | <b>Amount</b> |
|--------------------|---------------|
| One Person.....    | \$ 48,542     |
| Two Persons.....   | \$ 55,476     |
| Three Persons..... | \$ 62,411     |
| Four Persons.....  | \$ 69,346     |
| Five Persons.....  | \$ 74,893     |
| Six Persons.....   | \$ 80,441     |
| Seven Persons..... | \$ 85,989     |
| Eight Persons..... | \$ 91,536     |



## Low Income Housing Unit Sale Price Factors

### Median Income

The Howard County Median Income as determined by the most recent 5-year Estimate from the U.S. Census Bureau's American Community Survey.

### 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 \$434,700 home located in Howard County, assuming a \$1000 deductible, 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](http://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, 2020 - June 30, 2021

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: \$310/household/year





## LOW INCOME HOUSING UNIT STANDARDS

| Unit Type              | Room Requirements                 | Base Square Footage |
|------------------------|-----------------------------------|---------------------|
| Apartment              | 0 Bedroom, 1 Bath                 | 600                 |
|                        | 1 Bedroom, 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 | 2 Bedrooms, 1-1/2 Bath, Basement  | 1,540               |
|                        | 3 Bedrooms, 2 Baths, Basement     | 1,680               |
|                        | 4 Bedrooms, 2 Baths, Basement     | 1,820               |
| Proffered              | 3 Bedrooms, 2 Baths, Basement     | 1,640               |

\*Basements may be unfinished



## MINIMUM SPECIFICATIONS FOR LOW 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

### 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. Deck
5. Additional half or full baths.
6. Accessibility options such as roll-in shower.

### 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 an Extended Homeowner Warranty.



**Moderate Income Housing Unit Program**  
**Maximum Rent Schedule For Low Income Housing Units (LIHU)**  
**July 1 through December 31, 2020\***

Median Income (family of four)

\$ 115,576

**Maximum Rents**

Median Income Adjusted for  
Bedroom Size

| Unit Size          | Occupancy Base <sup>(a)</sup> | Adj. % <sup>(b)</sup> | Amount     | 40% of Median | Annual Rent @ 30% | Maximum Monthly Rent <sup>(c)</sup> |
|--------------------|-------------------------------|-----------------------|------------|---------------|-------------------|-------------------------------------|
| Studio .....       | 1.0                           | 70%                   | \$ 80,903  | \$ 32,361     | \$ 9,708          | 809                                 |
| One Bedroom.....   | 1.5                           | 75%                   | \$ 86,682  | \$ 34,673     | \$ 10,402         | 867                                 |
| Two Bedroom.....   | 3.0                           | 90%                   | \$ 104,018 | \$ 41,607     | \$ 12,482         | 1,040                               |
| Three Bedroom..... | 4.5                           | 104%                  | \$ 120,199 | \$ 48,080     | \$ 14,424         | 1,202                               |
| Four Bedroom.....  | 6.0                           | 116%                  | \$ 134,068 | \$ 53,627     | \$ 16,088         | 1,341                               |

**For Rent Units - Eligibility Income Limits (40% of Median):**

| <b><u>Family Size</u></b> | <b><u>Amount</u></b> |
|---------------------------|----------------------|
| One Person.....           | \$ 32,361            |
| Two Persons.....          | \$ 36,984            |
| Three Persons.....        | \$ 41,607            |
| Four Persons.....         | \$ 46,230            |
| Five Persons.....         | \$ 49,929            |
| Six Persons.....          | \$ 53,627            |
| Seven Persons.....        | \$ 57,326            |
| Eight Persons.....        | \$ 61,024            |

**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

*\* Pending approval by Housing and Community Development Board*



**Moderate Income Housing Unit Program**  
**Maximum Rent Schedule For Disability Income Housing Units (DIHU)**  
**July 1 through December 31, 2020\***

Median Income (family of four)

\$ 115,576

**Maximum Rents**

Median Income Adjusted for  
Bedroom Size

| Unit Size          | Occupancy Base <sup>(a)</sup> | Adj. % <sup>(b)</sup> | Amount     | 20% of Median | Annual Rent @ 30% | Maximum Monthly Rent <sup>(c)</sup> |
|--------------------|-------------------------------|-----------------------|------------|---------------|-------------------|-------------------------------------|
| Studio .....       | 1.0                           | 70%                   | \$ 80,903  | \$ 16,181     | \$ 4,854          | 405                                 |
| One Bedroom.....   | 1.5                           | 75%                   | \$ 86,682  | \$ 17,336     | \$ 5,201          | 433                                 |
| Two Bedroom.....   | 3.0                           | 90%                   | \$ 104,018 | \$ 20,804     | \$ 6,241          | 520                                 |
| Three Bedroom..... | 4.5                           | 104%                  | \$ 120,199 | \$ 24,040     | \$ 7,212          | 601                                 |
| Four Bedroom.....  | 6.0                           | 116%                  | \$ 134,068 | \$ 26,814     | \$ 8,044          | 670                                 |

**For Rent Units - Eligibility Income Limits (20% of Median):**

| <b><u>Family Size</u></b> | <b><u>Amount</u></b> |
|---------------------------|----------------------|
| One Person.....           | \$ 16,181            |
| Two Persons.....          | \$ 18,492            |
| Three Persons.....        | \$ 20,804            |
| Four Persons.....         | \$ 23,115            |
| Five Persons.....         | \$ 24,964            |
| Six Persons.....          | \$ 26,814            |
| Seven Persons.....        | \$ 28,663            |
| Eight Persons.....        | \$ 30,512            |

**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

*\* Pending approval by Housing and Community Development Board*



**HOWARD COUNTY CODE**

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

- (a) **Base Prices for Low and Moderate Income Housing Units Offered for Sale.** The base sale price for a low or moderate income housing unit shall be determined by the Housing and Community Development Board in accordance with this subsection.
- (1) Twice a year, the Board shall establish the base sale price for each type of low and moderate income housing unit offered for sale.
  - (2) Before establishing the base sale price under this subsection, the Board shall provide information concerning the real property tax, insurance, and interest rate factors it proposes to use in establishing the base sale price on the County's website.
  - (3) Before establishing the base sale price for low or moderate income housing units located in planned senior communities and age-restricted adult housing developments, the Board shall consult with the Office on Aging and Independence.
  - (4) The Department shall provide to the Board information concerning current real property tax and insurance rates.
  - (5) The base sale prices for low and moderate income housing units shall be based on the square footage as calculated by the County for purposes of determining a unit's building excise tax when applying for a building permit.
    - (i) A base size unit of the following types:
 

| Type                       | Minimum (Sq. Ft.) |
|----------------------------|-------------------|
| Studio                     | 600               |
| Apartment                  | 750               |
| Single-family detached     | 1,540             |
| Townhouse or Semi-Detached | 1,500             |
| Back-to-Back townhouse     | 1,400             |
    - (ii) Factors established annually by the Board for:
      - a. Real property taxes; and
      - b. Insurance rates;
    - (iii) Factors established twice a year by the Board for:
      - a. Interest rates on FHA 30-year mortgages; and
      - b. FHA mortgage insurance premiums as determined by the U.S. Department of HUD; and
    - (iv) An average of homeowners' association fees or condo fees charged for similar units in the market, based on an annual survey of fees.
  - (6) The Department shall provide to the Board 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 payment of the FHA mortgage insurance premium, 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 with zero points. The Department shall calculate the prevailing interest rate by surveying, twice a year, at least three mortgage lenders and two banks for the previous business day.
  - (8) The Department shall determine the prevailing interest rate as of December 1 and June 1 of each year.
  - (9) As determined by the regulations of the Department, an increase in the base sale price of a low or moderate income housing unit may be made for the following upgrades in size, design or amenities provided that the Board determines that they are necessary to ensure compatibility with the development's market rate units:

- (i) Single-family attached (townhouse and condominium) units that are larger than the base size established by this section;
- (ii) Additional bathrooms or powder rooms;
- (iii) Other upgrades in design or amenities that are necessary to ensure architectural compatibility with the development's market rate units.

**(b) Rental Rates for Low Income Housing Units (LIHU).**

- (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 40% 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 13.402. Rental Rates for Disability Income Housing Units (DIHU).**

- (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 20% 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 2021 shall be \$2.67 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 MD. The fee-in-lieu shall be based on the square footage calculated by the County for purposes of determining a unit's building excise tax when applying for a building permit.

- (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.





To: Housing & Community Development Board  
 Through: Kelly Cimino, Director – *K. Cimino*  
 From: Quanita Kareem, Compliance Officer  
 Date: June 1, 2020  
 Re: **Proposed Optional MIHU Compliance – MIHUs from Morris Place to Dorsey Overlook**

This is a request for the Board’s recommendation concerning a proposal from Dorsey Overlook, LLLP (the “Developer”) to accept the released MIHUs and funds paid by Beazer Homes from the for-sale townhouse development known as Morris Place on Route 1 in Elkrigde and transfer those units and funds to the proposed Dorsey Overlook development of affordable, rental townhouse units on Route 108 in Ellicott City.

**Optional Methods Procedure and Criteria.** Section 13.402(e)(3) of the Howard County Code (the “Act”) discusses the conditions of the optional method of compliance and requires the developer to calculate the number of units required in accordance with the multiplier set forth in the Act.

From Section 13.402(e) – Optional Method.

(3) A developer who uses an optional method of providing moderate income housing units in accordance with paragraph (1) of this subsection shall calculate the number of units to be provided as set forth below:

(ii) For every one single-family attached moderate income housing unit required by the zoning regulations, the requirement shall be increased by the multiplier in the following chart:

| Type of Unit           | On-site                   | Off-site                   |
|------------------------|---------------------------|----------------------------|
| Single Family Attached | Not Applicable            | 1.5 Moderate Income Units  |
| Apartment              | 1.5 Moderate Income Units | 1.75 Moderate Income Units |

**Developer’s Proposal.** Dorsey Overlook will be an 82-unit, multi-family rental community. The development is zoned R-APT with a 15% MIHU requirement (13 units). Based on the conversion chart referenced in Section 13.402(e) chart above, the Developer is requesting the transfer of 19 MIHUs from Phases I-VI of the Morris Place development and the \$1,064,000 (19 units multiplied by \$56,000 per MIHU) paid by Beazer Homes to the County in December 2018, to restrict an additional 28 rental townhomes at Dorsey Overlook for leasing at affordable MIHU rental rates to low- and moderate-income households earning up to 60% of HC AMI. This proposal will increase the number of units to be rented as MIHUs from 13 to 41 in the project.

The Developer agrees that as a condition of the transfer of MIHUs from Morris Place to Dorsey Overlook, and the receipt of funds associated with those transfers, the Developer will subject the project to the MIHU covenant requirements in the form prescribed by the County that gives the County assurance that the MIHU program affordability restrictions on the rental of the units shall be in effect in perpetuity.

**Staff Analysis.** The Developer's proposal meets the consideration of an optional method of compliance:

- (i) The Morris Place development is located on the Route 1 Corridor, where many MIHU homeownership and rental communities are already available. Transferring MIHUs to the Dorsey Overlook development will result in a greater geographic distribution of MIHUs in the County.
- (ii) The new site will offer rental townhouse units with 2- and 3 bedrooms and one-car garages at affordable MIHU rent prices. There are currently only two other MIHU townhouse rental communities offering 3+ bedrooms at affordable rents in the County (Townes at Pine Orchard in Ellicott City and Oakland Place in Columbia), but none within 5 miles of the Dorsey Overlook site.
- (iii) The 82 rental units will be constructed into stacked townhouses with energy-efficient heating and cooling systems, as well as energy star appliances, to reduce operating and maintenance cost for the residents.
- (iv) The stacked townhouses will likely appeal to single parent households with children and larger households that need more space than is offered in typical affordable apartment-style units.
- (v) The community is located near the Dorsey Search Village Center, is on an RTA transit route and is close to multiple medical care providers.

**Staff Recommendation.** Based on the above, staff recommends approval of the request. The transfer of 19 MIHUs and \$1,064,000 from Morris Place to the proposed Dorsey Overlook development will expand the supply of new, affordable rental townhouse units for income-eligible MIHU individuals and families in the next 18-24 months in an area with a limited supply of rental units.

cc: Constance A. Tucker, Principal Counsel

***Dorsey Overlook, LLLP  
5670B Furnace Avenue  
Elkridge, MD 21075***

April 13, 2020

Kelly Cimino, Director  
Howard County Department of Housing and  
Community Development  
9820 Patuxent Woods Dr., #224  
Columbia, MD 21046

**RE: DORSEY OVERLOOK, HOWARD COUNTY, MD**

Dear Ms. Cimino,

We are writing to request consideration of this request at the Department of Housing and Community Development Board meeting scheduled for June 11, 2020. We are also available to attend this meeting and present our request in person.

Dorsey Overlook will be an 82-unit, multi-family, rental community located on Old Route 108 in Ellicott City. This community will be 100% affordable, with 25 of the units being rented to residents making 30% of the Howard County Area Median Income (AMI), 7 units rented at 50% AMI, 10 units rented at 60% AMI, and 40 units rented at 80% AMI. We believe that these affordable units are greatly needed in the County.

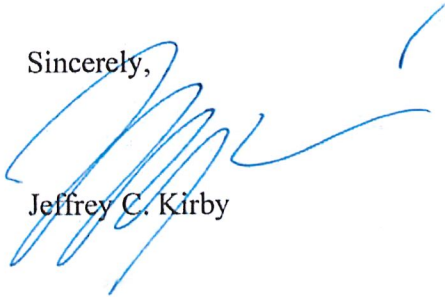
Dorsey Overlook is zoned R-APT with a 15% MIHU requirement. The project will provide 13 units at affordable MIHU rents to households earning up to 60% of HC AMI to meet this requirement.

As we discussed, there is a financing gap for the project. You indicated that there is recorded MIHU alternative compliance agreement for the Morris Place for-sale townhouse development in Elkridge. The developer, Beazer Homes, paid \$1,064,000 to the County in exchange for the release of 19 MIHUs in the Morris Place community. The alternative compliance agreement states that the funds and the units can be transferred to another community to increase the number of affordable units available for low- and moderate-income residents. We would like to request approval from the housing board to transfer the 19 MIHU units and funds associated with them from the Morris Place development to Dorsey Overlook. Based on the conversion chart referenced in the MIHU alternative compliance section of the regulations, this will increase the number of MIHUs to be rented at affordable rental rates at Dorsey Overlook from 13 to 41.

Dorsey Overlook will increase the supply of safe and sanitary rental housing for households of low and moderate income by providing 82 new and affordable rental units in Howard County and will be a great addition to the Dorsey Search community. The community will be within a short distance to the existing village center and nearby businesses. This proximity to the village center and nearby medical services will provide opportunities for employment, shopping and medical care. We believe that the number and range of affordable units in this project align perfectly with the intent of the MIHU program.

Thank you for your consideration. We look forward to working with you, the housing board and the County on this transaction. Please feel free to reach out to me with any questions at 443-445-3744 or [jeff@kirbydev.com](mailto:jeff@kirbydev.com).

Sincerely,



Jeffrey C. Kirby