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Spring 2018 Competitive Funding Round FAQs

General

Comment: What other resources are available?

Answer: LIHTCs and other resources available during the 2018 competitive round include:

- LIHTCs: (approximately) \$16 million
- Rental Housing Financing Program (RHFPs): (approximately) \$14 million

Housing Trust Fund (HTF) and HOME projects will be selected by the Department for funding consideration, subject to availability of funds.

Submission Requirement: CDA Form 202

Comment: In CDA Form 202, the self-scoring forms for Income Targeting and Leveraging have protection and cell references that may be in error

Answer: CDA staff have reviewed and made some minor changes to the Income Targeting and Leveraging spreadsheets incorporated in CDA Form 202. A revised CDA Form 202 dated 4/12/2018 is posted to the DHCD website at: (http://dhcd.maryland.gov/HousingDevelopment/Documents/rhf/Form_202_Instructions.xlsx).

Submission Requirement: Electronic MIS Submission Timing

Comment: When do I need to enter data on my project into the Multifamily Information System (MIS), DHCD's online application?

Answer: Applicants should work to complete entry of their projects in MIS by May 18, 2018. That said, DHCD will continue to accept entry into MIS up through May 31, 2018.

Threshold Requirement: §3.3.2 Affirmative Fair Housing Marketing Guide

Comment: What are the application submission requirements associated with meeting the threshold requirements of Section 3.3.2: Affirmative Fair Housing Marketing of the Guide? For example, there is a reference in Section 3.3.2 of the Guide to memorandums of understanding; must MOUs be submitted as part of the application?

Answer: The only application submission requirement at application is that the project sponsor complete the Certification included in Exhibit F.2 in the Application Submission Package. All



other requirements outlined in Section 3.3.2 must be met prior to closing on financing with DHCD if a project receives funding.

Competitive Scoring: §4.4.6 Additional Incentives Acq/Rehab Not Located in a Baltimore Region Community of Opportunity

Comment: Please clarify the geographic locations of projects that are eligible for up to two (2) points awarded under Additional Incentives (Section 4.4.6 of the Guide) for projects that involve the acquisition and rehabilitation of an existing multifamily rental housing development.

Answer: As indicated in Section 4.4.6 of the Guide, "Two (2) points will be awarded to any project that is not located in a Community of Opportunity in the Baltimore Region that involves the acquisition and rehabilitation....". This language is to be interpreted as applying to any project located in an area of the State of Maryland (all 23 counties and the City of Baltimore) that is not a Community of Opportunity within the Baltimore Region. For example, a Community of Opportunity in Montgomery County, a Defined Planning Area in Harford County, and a Qualified Census Tract in Baltimore City would all be locations eligible for points in this category, so long as they are not also located in a Community of Opportunity and within the Baltimore Region.

Competitive Scoring: §4.4.1 Income Targeting Percentage Calculation

Comment: For scoring purposes under Income Targeting (Section 4.4.1 of the Guide), are the points for units restricted at or below 30% AMI calculated as a percentage of the income-restricted units in the project or as a percentage of the total units in the project?

Answer: As indicated in Section 4.4.1 of the Guide, " a project will receive four (4) points if at least 10% of the income-restricted units in the project will be income-restricted at 30% of the area median or below for the LIHTC compliance period". For example, if a project includes a total of 100 units, with 80 units income-restricted and 20 units market rate/unrestricted, the four (4) points in this category would be available so long as at least 8 units (i.e. 10% of the 80 income-restricted units) were provided at 30% of area median or below.

Competitive Scoring: §4.4.2 Additional Points for 811

Comment: What is the minimum percentage of units of need to be 1 or 2 BR units needed s to qualify for Section 811 points under Section 4.4.2.2?

Answer: To qualify for 4 points under Section 4.4.2.2, the Guide specifies a number of qualifying conditions that must be met:

1. All designated units must be one- or two-bedroom serving the non-elderly.
2. No more than 25% of units designated for PWD.
3. The designated units cannot be generating another rental subsidy.

The Guide does not, however, specify a minimum number of such units that need to be designated to qualify for the four points. To qualify for the points, the sponsor must agree to accept as many 811 qualifying units as are offered by DHCD, which will not in any case be greater than 25% of the projects units.

Competitive Scoring: §4.4.3 Family Housing Percentage Calculation

Comment: For scoring purposes under Family Housing (Section 4.4.3 of the Guide), are the points for family housing units calculated as a percentage of the income-restricted units or as a percentage of the total units in the project?

Answer: Section 4.4.3 of the Guide makes no reference to income-restricted units. Accordingly, points are awarded for family units based on the percentage of family units in the overall project (income-restricted and market rate) with two bedrooms or more in accordance with the table included in Section 4.4.3.

Competitive Scoring: §4.5.1 Assumed Raise-Up Rate

Comment: What is the raise-up rate for Low Income Housing Tax Credits that the Department will use for scoring purposes in Section 4.5.1 Direct Leveraging?

Answer: The Department will use a raise-up rate of 90 cents.

Competitive Scoring: §4.5.2 Operating Subsidy - HAP Renewals

Comment: Will a project receive long term operating points if a Housing Assistance Payment (HAP) rental assistance contract will be renewed at closing?

Answer: HAP contracts are an eligible source of funds that are considered in calculating points for Operating Subsidies under Section 4.5.2. As indicated in the Guide, “to receive points for project-based rental assistance, the assistance must be structured to ensure that tenants in project-based units pay no more than 30% of their income towards rent and utilities. The value of project-based assistance will be calculated per the application based on estimates of the typical monthly tenant subsidy and the duration of the contract.” If an existing HAP contract provides evidence that the owner has the option to renew the contract, then DHCD will consider the remaining term of the existing contract in addition to the anticipated renewal term when calculating points in this Section.

Competitive Scoring: §4.5.3 Construction Cost Limits

Comment: Has the Department updated the Construction Cost limits outlined in Section 4.5.3 of the Guide?

Answer: Yes, the construction cost limits have been updated and were included in Multifamily Notice 18-02 released on March 20, 2018. The table below includes the updated construction cost limits:

Type of Building	New Construction	Rehabilitation
Cottage, Single Family, Semi-detached Dwellings, and Townhomes	\$175	\$180
Garden Apartments	\$147	\$112
Non-elevator Stacked Units and Elevator Buildings with 4 stories or less	\$160	\$131
Elevator Buildings of 5 or more stories	\$175	\$136