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Additional Spring 2018 Competitive Funding Round FAQs

General Questions

Comment: How will DHCD score 9% LIHTC and 4% LIHTC “Twinning” Applications that are received in the Competitive Funding Round?

Answer: DHCD has long supported innovative approaches to financing affordable rental housing, especially those approaches which make use of Tax Exempt Bonds and the “automatic” 4% LIHTC. Accordingly, DHCD will accommodate applications in the Competitive Funding Round which propose to “twin” a 9% LIHTC project with a Bond/4% LIHTC project into a single undertaking. In such instances, it is understood that the overall undertaking must first receive a 9% LIHTC award through the Competitive Funding Round to achieve financial feasibility.

In evaluating applications for a 9% LIHTC project which are “twinned” with a Bond/4% LIHTC project, DHCD will evaluate Income Targeting (per Section 4.4.1) and Direct Leveraging (per Section 4.5.1) as follows:

Income Targeting (Section 4.4.1) -- Scoring for the 9% LIHTC project will be calculated taking into account only the income targeting for the units associated with the 9% LIHTC project. Since the units in the Bond/4% LIHTC project are considered a separate project, it is not appropriate to include these units in the Income Targeting scoring calculation for the 9% LIHTC project. To calculate the Income Targeting score for the 9% LIHTC project, applicants should provide a separate CDA Form 202 that includes only the project information for the 9% LIHTC project on a stand-alone basis.

Direct Leveraging (Section 4.5.1) -- Scoring for the 9% LIHTC project will include the amount of tax-exempt bonds and 4% LIHTC equity in the calculation of leveraged funds. Inclusion of these funds as leveraged funds is consistent with DHCD’s long-standing treatment of these funds, and is appropriate in light of the fact that the 9% LIHTC award will enable the Bond/4% LIHTC project to move forward. To calculate the Direct Leveraging score for the 9% LIHTC project, applicants should provide a separate CDA Form 202 that includes the combined project information for the 9% LIHTC project and the Bond/4% LIHTC project.



Competitive Scoring: §4.4.6 Additional Incentives Transportation Requirements

Comment: Please clarify the transportation requirements for family projects in Communities of Opportunity in the Baltimore Region in order to receive four (4) points under Section 4.4.6 of the Guide.

Answer: To qualify for four (4) points under Section 4.4.6, the Guide specifies a number of qualifying conditions that must be met:

1. Must be a family project in a Community of Opportunity in the Baltimore Region (defined as portions of Anne Arundel, Baltimore, Carroll, Harford, and Howard Counties, and the City of Baltimore, which can be seen on DHCD's Multifamily Mapper website),
2. At least 60% of the units need to be newly constructed multifamily rental housing with affordability restrictions for at least forty (40) years,
3. Project must agree to provide or arrange transportation to an existing bus or transit rail stop or station for the residents of the property that is accessible or which can demonstrate that mobility/paratransit service is already available, and
4. Must certify that such service will be available between 8 AM and 6 PM Monday through Friday.

The transportation language in point #3, above, is to be interpreted as either demonstrating that mobility/paratransit service is already available to disabled residents OR transportation must be provided or arranged that will be accessible to all residents, including those who use a mobility device and/or a service animal. In both cases, such service must be available in the timeframes outlined in point #4, above. Sponsors evidence their commitment to provide such services by completing and signing the certification found in the Application Submission Package under Exhibit M.