



Multifamily Housing Notice 09-10

November 20, 2009

To: Developers, Sponsors and Local Housing Contacts

From: Patricia Rynn Sylvester, Director, Multifamily Housing

Re: ▪ *February 2010 Competitive Funding Round*

February 2010 Competitive Funding Round

Applications for the February 2010 Competitive Funding Round are due by Tuesday, February 23, 2010 at 5:00 PM. Applications must be delivered to the mailroom on the ground floor of 100 Community Place, Crownsville Maryland 21032. The February 2010 Competitive Funding Round will be governed by the 2009 Qualified Allocation Plan and the 2009 Multifamily Rental Financing Guide (the Guide) both of which are dated October 24, 2008 and available on the DHCD website.

The Department expects that the February Round will award Rental Housing Funds (RHF) and a limited amount of CY 2011 Low Income Housing Tax Credits (Tax Credits). CY 2009 Tax Credits and CY 2010 Tax Credits have already been reserved for multifamily rental projects in the Department's development pipeline. The Department does not anticipate awarding TCAP or Section 1602 funds through this round and applicants should not include requests for these funds in their applications. Applications also may NOT include a request for the 30% State basis boost for Tax Credits authorized under the Housing and Economic Recovery Act of 2008. The Tax Credit raise-up rate to be used in scoring the Leveraging category and updates to the construction cost limits, if appropriate, will be announced by January 23, 2010.

In putting together the financing for applications, the Department encourages applicants to consider using the **Multifamily Tax-Exempt Bond Program (MBP) and the new Multifamily Energy Efficiency and Housing Affordability (MEEHA) funds**. An announcement is expected shortly regarding the availability of low interest rate MBP financing through the recently-announced HFA Initiative, a program presently being rolled out by the U.S. Department of Treasury, Fannie Mae and Freddie Mac. Applications for MBP financing may also request RHF, MHRP-MF and MEEHA funds. In light of the ample supply of MBP financing, applicants are not required to use 4% Tax Credits in these projects.

For the February Round, the Department will permit all applications to request in excess of \$1.5 million up to \$2 million of RHF without the need for prior approval as normally required by Section 3.7.2 of the Guide. Additionally, the Department will consider waiving the \$2 million per-project RHF limit on a case-by-case basis. Requests for a waiver of this limit should be submitted no later than December 23, 2009.

The most up-to-date Application Submission Package for Multifamily Rental Financing loan and low income housing tax credit programs is available on the Department website. This application package must be used for requests for financing through the following programs: Multifamily Bond Program (MBP), Rental Housing Fund (RHF), Federal Low Income Housing Tax Credits (9% and 4% Tax Credits), Maryland Housing Rehabilitation Program – Multifamily (MHRP-MF), and the Partnership Rental Housing Program (PRHP).

Please remember that we are announcing future round deadlines, significant application changes, bond program amendments, and other key dates and facts on our web site and by email only. Please make sure that we have

your current email address. Please send any additions or corrections to taxcredits@mdhousing.org or rentalhousing@mdhousing.org as soon as possible.

Thank you for your interest and participation in the multifamily housing programs in Maryland.

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