

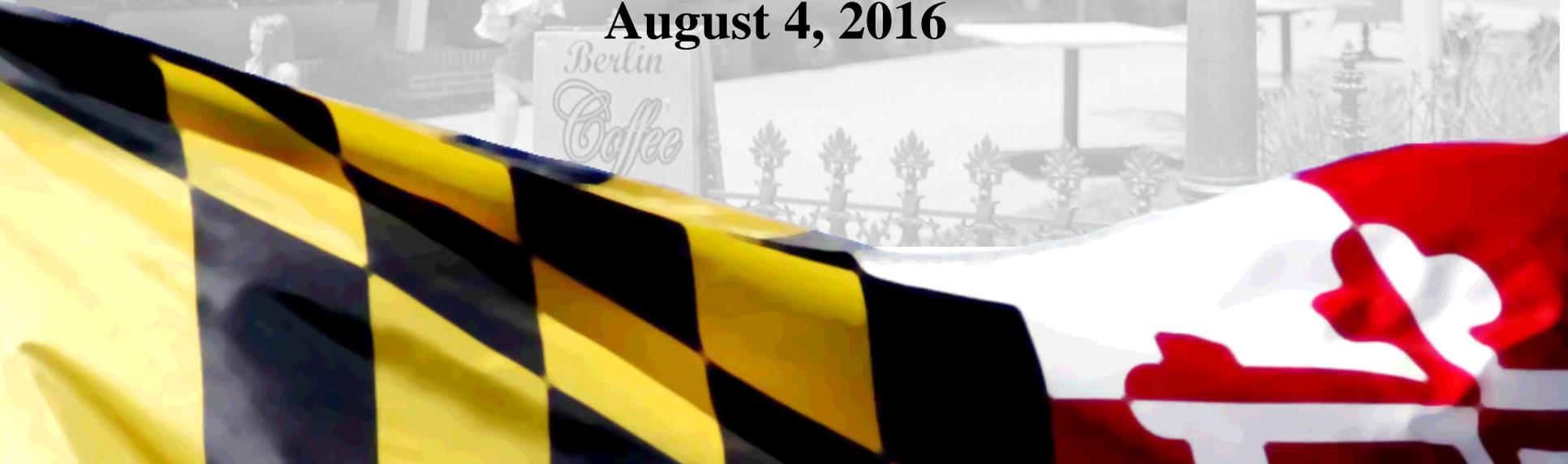


Maryland Department of Housing
and Community Development
Secretary Kenneth C. Holt

Multifamily Rental Financing

Draft Application Submission Package

MAHC Brown Bag
August 4, 2016



WHAT HAS CHANGED?



Maryland Department of Housing
and Community Development
Secretary Kenneth C. Holt

Part I: Application Form, Certifications, and Priority Project

Applicant Self-Scoring is now required. *New*

New CDA Form 202 *New*

APPLICATION SUBMISSION PACKAGE

Applicant Self-Scoring

New

Scoring Summary Table		Maximum Possible Points	Applicant Self-Score	FOR DHCD USE ONLY
4.1 Capacity of Development Team		74 Total Points		
4.1.1	Development Team Experience	42		
4.1.2	Deductions from Team Experience Score	-10		
4.1.3	Developer Financial Capacity	18		
4.1.4	Nonprofits (NPs), Public Housing Authorities (PHAs) and Minority/Disadvantaged Business Enterprises (MBE/DBEs)	14		
4.2 Community Context		16 Total Points		
4.2.1	Community Impact Projects	16*		
4.2.2	Communities of Opportunity	16*		
4.2.3	Defined Planning Areas	12*		
4.3 Transit Oriented Development		8 points		
4.4 Public Purpose		48 Total Points		
4.4.1	Income Targeting	14		
4.4.2	Targeted Populations: Non-Elderly PWD or Special Needs	10		
4.4.3	Family Housing	8		
4.4.4	Tenant Services	8		
4.4.5	Mixed Income Housing	4		
4.4.6	Preservation of Existing Affordable Housing	4		
4.5 Leveraging and Cost-Effectiveness		20 Total Points		
4.5.1	Direct Leveraging	10		
4.5.2	Operating Subsidies	10		
4.5.3	Construction or Rehabilitation Cost Incentives	-8		
4.6 Development Quality		31 Total Points		
4.6.1	Green Features	12		
4.6.2	Energy & Water Conservation & Sustainability	6		
4.6.3	Project Durability and Enhancements	13		
Total		197		



Part II: Mandatory Exhibits Category

- Exhibit A-Project Information
 - No changes

- Exhibit B-Site Information
 - Community Revitalization Plan *New*
 - Certification form executed by both the applicant and the local government through the local planning department of zoning board that demonstrates that the plan meets the requirements of DHCD
 - A copy of the full revitalization plan
 - A map of area targeted by the plan identifying location of project
 - A Community Revitalization Checklist

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Maryland Department of Housing & Community Development OWNER/DEVELOPER CERTIFICATION OF COMMUNITY REVITALIZATION PLAN LOCAL GOVERNMENT CERTIFICATION OF COMMUNITY REVITALIZATION PLAN

(Submit under Exhibit B in Application)

New

Project Name: _____

The Maryland Department of Housing & Community Development (the Department) provided for additional competitive incentives to projects located in a Qualified Census Tract (QCT) or Difficult Development Area (DDA) (that does not include any State-designated DDA under the authority granted in §42, more commonly referred to as a “state-designated basis boost”) that contributes to a concerted community revitalization plan.

As Owner/Developer, I hereby certify that the referenced project is located in a Qualified Census Tract (QCT) or Difficult Development Area (DDA) (that does not include any State-designated DDA under the authority granted in §42, more commonly referred to as a “state-designated basis boost”) that contributes to a concerted community revitalization plan.

I, _____, representative of the _____ Department of the _____ (jurisdiction), hereby certify that the referenced project is located in a Qualified Census Tract (QCT) or Difficult Development Area (DDA) (that does not include any State-designated DDA under the authority granted in §42, more commonly referred to as a “state-designated basis boost”) that contributes to a concerted community revitalization plan.

Acknowledged and accepted by the Owner/Developer:

Signed: _____ Date: _____

Printed name and Title: _____

Company Name: _____

Acknowledged and accepted by Local Government:

Signed: _____ Date: _____



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COMMUNITY REVITALIZATION PLAN CHECKLIST

New

To qualify for Points in this category, a concerted community revitalization plan must meet the following requirements:

	a)	Officially adopted or endorsed by a local government or created with Local Government Involvement;
	b)	Consistent with Maryland's Smart Green and Growing Initiatives and PlanMaryland;
	c)	Established to increase investment in the community or build from an existing community asset;
	d)	Developed and approved in accordance with local planning requirements;
	e)	Includes evidence of community and stakeholder engagement;
	f)	Has a defined geographic boundary, that includes the proposed site or is focused within a single municipality, jurisdiction, or targeted area;
	g)	If there is a housing component in the plan, the plan should include rehabilitation or new construction of rental housing as a goal for the community;
	h)	Includes details of implementation measures along with specific time frames for the achievement of such policies and housing activities; and
	i)	Provides a list of other investment occurring or planned within the immediate area.



Part II: Mandatory Exhibits Category

- Transit Oriented Development (TOD) *New*
 - Evidence of MDOT-designated TOD
 - Copies of transit route map
 - Copy of Walk Score determination

Part II: Mandatory Exhibits Category

- Exhibit C-Development Team Information
 - Exhibit C.1 through C.4
 - The 2530 Requirement removed
 - Exhibit C.5: Multifamily Funding Affidavits
 - Debarment Affidavit *New*

- Exhibit D-Financial Statements of Developers, Owners, and Guarantors
 - Self-Score Sheet *New*

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Developer Financial Capacity (Sec. 4.1.3 Guide)

The developer entities and guarantors must have an acceptable credit history and show the current financial to undertake the project.

Score

Net Worth as a Percentage of Total Development Costs			
Entity	Entity Name	Entity Name	Entity Name
Date of financials			
Total Assets			
Total Liabilities			
Net Worth			
Total Dev Costs			
Percent of TDC			

Net Worth as a Percentage of Total Development Costs			
Entity	Entity Name	Entity Name	TOTAL
Date of financials			
Total Assets			
Total Liabilities			
Net Worth			
Total Dev Costs			
Percent of TDC			

Pts. Range

0	Combined net worth is less than 10% of total development costs
4	Combined net worth is between 10% and 25% of total development costs
8	Combined net worth is over 25% of total development costs

Liquid Assets as Percentage of Total Development Costs			
Entity	Entity Name	Entity Name	Entity Name
Current Assets			
Current Liabilities			
Working Capital			
Total Dev. Costs			
Percent of TDC			

Liquid Assets as Percentage of Total Development Costs			
Entity	Entity Name	Entity Name	TOTAL
Current Assets			
Current Liabilities			
Working Capital			
Total Dev. Costs			
Percent of TDC			

Pts. Range

0	Combined liquid assets are under 2% of total development costs
4	Combined liquid assets are between 2% and 4% of total development costs
8	Combined liquid assets are between 4% and 10% of total development costs



Part II: Mandatory Exhibits Category

- Exhibit E-Construction Information
 - No Energy Audit Required at time of Application unless project is seeking points under Section 4.6.2 of the Guide *New*
 - Certification of use of a RESNET/BPI Multifamily Rater *New*

- Exhibit F-Certifications and Waivers
 - No changes

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Part III: Optional Scoring Documentation

- Exhibit G: Nonprofits(NPs), Public Housing Authorities (PHAs) and Minority/Disadvantaged Business Enterprises (MDE/DBEs)

Nonprofits (NPs), Public Housing Authorities (PHAs) and Minority/Disadvantaged Business enterprises (MBE/DBEs) Self-Scoring Form (14 maximum Points)

New

Category	Description	Proposed Points
1	Eight (8) points will be awarded when the NP, PHA or MBE/DBE has a controlling ownership interest (51% or greater) in the project and, for the NP entity, is a Qualified Nonprofit within the meaning of Section 42(h)(5)(B) and (C) of the Internal Revenue Code. (see Section 4.1.4 of the Guide)	
2	Up to six (6) points will be awarded to a PHA, MBE/DBE, or a Community-Based NP if the entity has less than 50% but more than 10% interest in the general partner or managing member of the project owner. (see Section 4.1.4 of the Guide)	
3	Up to four (4) points may be awarded to a project for each NP, PHA, or MBE/DBE that is involved as a member of the Primary Development Team as the general contractor, architect, or property management company. (see Section 4.1.4 of the Guide)(8 points maximum)	
4	Up to four (4) points may be awarded for the first NP, PHA or MBE/DBE entity, and up to two (2) points for each additional NP, PHA, r MBE/DBE that meets the criteria as outlined in Section 4.1.4 of the Guide, Category 4.	

Please identify below each entity for each Category below:

Category	Entity
1	
2	
3	
4	



Part III: Optional Scoring Documentation

- Exhibit H-Tenant Service Plan
 - No changes
- Exhibit I-Targeted Populations: Persons with Disabilities (PWD or Special Need (SN))
 - Owner/Sponsor Certification confirming project will provide project based rental assistance for PWD OR the project will accept Section 811 Project Based Assistance if offered. *New*
 - Department of Veterans Affairs Enhanced Use Lease *New*

Part III: Optional Scoring Documentation

– Exhibit J- Direct Leveraging and Long-Term Subsidies

New

LEVERAGING AND COST EFFECTIVENESS		Score
DIRECT LEVERAGING (Sec. 4.5.1 of the Guide)		
Project Located in QCT/DDA?		
If "yes," enter acquisition credit, if any, amount:		
Is project considered a rural transaction?		
1. Tax Credit Subsidy		
Annual LIH Tax Credits (allocated credits only)	Note: do not include automatic 4% LIHTC	
Less Adjust for QCT 130%	-	
Credit Period		
Total LIH Tax Credits		
Imputed Raise-Up		
LIH Tax Credit Subsidy		
2. Total DHCD Subsidy		
Rental Housing Funds		
PRHP		
Other DHCD Funds	Note: do not include Tax-Exempt or Taxable Bonds	
Total State Funds		
Tax Credit Subsidy		
Total DHCD Subsidy		
3. All Project Costs		
4. Adjusted Costs		
# Affordable BRs		
Total BRs		
% Affordable		
All Project Costs		
Adjusted Costs		
5. Leverage Evaluation		
Total DHCD Subsidy		
Adjusted Costs		
% DHCD Funds		
% Leveraged Funds		

Part III: Optional Scoring Documentation

– Exhibit J- Direct Leveraging and Long-Term Subsidies

New

LEVERAGING AND COST EFFECTIVENESS				Score
OPERATING SUBSIDIES				0
Points are awarded to projects that include other long-term subsidies.				
Subsidy Type	Project Based Rental Subsidy	PILOT	Other	Total
Annual Subsidy/Unit				
Eligible Units				
Total Annual Subsidy				
Term (Years)				
Total Subsidy				
Total Units in Project				
Subsidy/Unit/10 Yrs.				

Points	Entitlement Jurisdiction	Non- Entitlement Jurisdiction	Is the project a HOME Participating Jurisdiction?
10	= \$400 or more	= \$200 or more	
9	= \$350 to \$399	= \$175 to \$199	
8	= \$300 to \$349	= \$150 to \$174	
7	= \$250 to \$299	= \$125 to \$149	
5	= \$200 to \$249	= \$100 to \$124	
3	= \$150 to \$199	= \$75 to \$99	
1	= \$100 to \$149	= \$50 to \$74	
0	= less than \$100	= less than \$50	

Maximum points may be awarded for projects with a subsidy of at least \$400 per unit per year for a period of 10 years in participating jurisdictions and \$200 in non-participating jurisdictions. Fewer points will be awarded to the extent that the subsidy per unit per year is below \$100, the subsidy is for a term of less than 10 years, or repayment terms of the subsidy diminish the overall value to the project.



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DISCUSSION

