

Key Proposed Changes to Multifamily Program Guide

THRESHOLD

Existing Section	Existing Language	Proposed Language	ACTION	RATIONALE
3.3.2 Affirmative Fair Housing Marketing	Includes 5 point bulleted list of provisions.	Added 3 additional bulleted items: <ul style="list-style-type: none"> • “Provide notice of unit availability and accept referrals from public housing authorities, voucher administrators, and mobility counseling programs operating in the regional market area, and formalize such arrangements in the form of contracts of Memorandums of Understanding (MOUs); • An agreement to certify to DHCD annually that the owner accepts vouchers and does not employ practices that have the effect of excluding voucher holders, such as screening standards that require incomes at two or three times the monthly contract rents, and • Perform marketing strategies to identify applicants that are least likely to apply.” 	Language changed and added to expand the requirements for all Affirmative Fair Housing Marketing Plans.	Language required per DHCD/HUD/BRHC Settlement.
3.4 Tenant Services	Includes 4 point bulleted list.	Added 1 additional bulleted item: “Projects that intend to serve homeless or	Language added.	Expanded threshold requirement for cooperation with local

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		formally homeless individuals or families must demonstrate that services will be provided in cooperation with the local Continuum of Care (CoC) and that client data will be entered into the Homeless Management Information System (HMIS) or its successor; and...”		Continuum of Care when a project intends to serve homeless individuals or families.
3.5.1 Uniform Federal Accessibility Standards Requirements	“All projects must ensure that persons with physical disabilities have priority for occupancy of any units qualified under the Uniform Federal Accessibility Standards (UFAS).”	“All projects, regardless of the source of funds, must ensure that persons with physical disabilities have priority for occupancy of any units qualified under the Uniform Federal Accessibility Standards (UFAS).”	Language added: “regardless of the source of funds.”	Language added to clarify that all projects must comply with Federal requirements. Prior language was not clear that requirement applied to all projects.
3.5.1 Uniform Federal Accessibility Standards Requirements	“All projects must comply with UFAS and any other applicable laws or requirements, including without limitation Section 504 of the Rehabilitation Act of 1973 (Section 504), the regulations implementing Section 504 at 24 CFR Part 8, the Americans with Disabilities Act (ADA), and the 2010 ADA Standards (as modified by HUD).”	“All projects, regardless of the source of funds, must comply with UFAS and any other applicable laws or requirements including, without limitation, Section 504 of the Rehabilitation Act of 1973 (Section 504), the regulations implementing Section 504 at 24 CFR Part 8, the Americans with Disabilities Act (ADA) and the 2010 ADA Standards (as modified by HUD).”	Language added: “regardless of the source of funds,” and expansion of alteration cost burden.	Language added to clarify that all projects must comply with Federal requirements regarding UFAS compliance and modification for reasonable accommodations.
3.5.2 Family Housing Developments – Units Reserved for	“All family projects must reserve at least five percent (5%) of all units for households at or below 60% AMI and headed by a non-elderly PWD. Non-elderly disabled units provided under	“All family projects must reserve at least five percent (5%) of all units for non-elderly persons with disabilities (PWD) with a household income at or below 60% of AMI. In	Language changed.	Language added to make acceptance of Section 811 PRA units mandatory, if offered.

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<p>Persons with Disabilities</p>	<p>the Bailey Consent decree in Baltimore City will satisfy this requirement. However, this requirement is also satisfied by serving non-elderly PWD who do not meet the City's non-elderly disabled definition. Projects that exceed the requirements of this section may qualify to receive points under the Competitive Scoring Criteria detailed in Section 4.4.2.</p> <p>Units reserved under this threshold requirement must be reserved exclusively for targeted populations for a period of not less than sixty (60) calendar days both at initial lease-up and upon turnover. The sixty (60) calendar day time period at lease-up will be measured from the date upon which the project achieves 80% occupancy and at turnover will be measured from the date upon which the unit is determined ready for occupancy following move-out by the prior tenants and completion of any cleaning, repairs, or maintenance. In addition to other marketing or referrals for the units, projects with non-elderly PWD units must agree to provide notice of unit availability to and accept referrals from the Maryland Department of Disabilities (MDOD) and/or the Maryland Department of Health and Mental Hygiene (DHMH). "</p>	<p>Baltimore City, non-elderly disabled units provided under the Bailey Consent Decree will satisfy this requirement.</p> <p>Units reserved under this threshold requirement must be reserved for non-elderly PWD households for a period of not less than sixty (60) calendar days both at initial lease-up and upon turnover. The sixty (60) calendar day time period at lease-up will be measured from the date upon which the project achieves 80% occupancy and at turnover will be measured from the date the unit is determined ready for occupancy following move-out by the prior tenants and completion of any cleaning, repairs, or maintenance. In addition to other marketing or referrals for the units, the Developer must agree to provide notice of unit availability to and accept referrals from the Maryland Department of Disabilities MDOD and/or the Maryland Department of Health.</p> <p>In addition, all family projects, regardless of the source of funds, that meet the Section 811 requirements (as explained below) must agree to accept, if offered by DHCD, Section 811 project-based rental subsidies for their non-</p>		

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		<p>elderly PWD units and to comply with the requirements of the Section 811 Program. Section 811 may not be used in any project that has more than 25% of its targeted unites set aside for PWDs. Only family projects with (1) or two (2) bedroom units are eligible for the Section 811 Program. Information on the Section 811 Program may be found at:</p> <p>http://dhcd.maryland.gov/HousingDevelopment/Pages/section811/Section811.aspx</p> <p>Additional information about Section 811 can be found at:</p> <p>http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/grants/section811ptl.</p>		
3.7.2 Standard Surplus Cash Repayment Terms	"Annual payments three months after the end of the borrower's fiscal year."	"Annual payments are due on April 1st or three (3) months after the end of the borrower's fiscal year."	Language added about annual payments.	Clarifying language to allow for projects with alternate fiscal year end dates.
3.7.3 Contingent Interest Surplus Cash Repayment Terms	"Annual payments are due three months after the end of the borrower's fiscal year commencing three months after the end of the year in which the construction loan period ends."	"Annual payments are due on April 1st or three (3) months after the end of the borrower's fiscal year three (3) months after the end of the year in which the construction loan period ends."	Language added about annual payments.	Clarifying language to allow for projects with alternate fiscal year end dates.

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3.9.5 Operating Reserves	"...In the discretion of DHCD, the operating reserve may be released over the next three (3) years provided the project continues to achieve economic break-even operations and sustains 90% occupancy. "	"...Operating reserve will be held by DHCD unless held by the superior lien holder."	Language modified.	Removing language eliminates release of operating reserves to align requirement with conventional underwriting standards.
3.9.8.3 Professional Fees	Developer's Fee (% of aggregate basis) is between 10%-15%.	Developer's Fee (% of aggregate basis) is between 5%-15%.	Language changed regarding developer fees.	Clarifying language.
3.13.1 Criteria Applicable to All Projects	"All projects must comply with UFAS and any other applicable laws or requirements, including without limitation Section 504 of the Rehabilitation Act of 1973 ("Section 504"), the regulations implementing Section 504 at 24 CFR Part 8, the Americans with Disabilities Act ("ADA"), and the 2010 ADA Standards (as modified by HUD). "	"All projects, regardless of the source of funding, must comply with UFAS and any other applicable laws or requirements, including without limitation Section 504 of the Rehabilitation Act of 1973 ("Section 504"), the regulations implementing Section 504 at 24 CFR Part 8, the Americans with Disabilities Act ("ADA"), and the 2010 ADA Standards (as modified by HUD)."	Language added: "regardless of the source of funds."	Language added to clarify that all projects must comply with Federal requirements.
SCORING				
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4.2.1 Community Impact Projects	"To qualify for points in this category, a concerted community revitalization plan must meet the following requirements..."	"A concerted community revitalization plan means a development plan which: is geographically specific; outlines a clear plan for implementation and	Language changed.	Language required per DHCD/HUD/BRHC Settlement. No other change made to this section or accompanying documentation.

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		<p>goals for outcomes; includes a strategy for applying for or obtaining commitments of public or private investment (or both) in non-housing infrastructure, amenities, or services; and demonstrates the need for community revitalization. To meet this definition of a concerted community revitalization and qualify for points in this category, a plan must meet the following requirements...”</p>		
<p>4.3 Transit Oriented Development (TOD)</p>	<p>“DHCD will award up to eight (8) points to TOD projects as follows: Eight (8) points to a project that is part of a MDOT-designated TOD. A list of MDOT-designated TODs is available at: http://www.mdot.maryland.gov/newMDOT/Planning/TOD/index.html Eight (8) points to a project that is located within a one-half (1/2) mile radius of a passenger boarding and alighting location of a planned or existing transit rail stop or station; Eight (8) points to a project located within one-half (1/2) mile radius of two separate bus lines, where passengers can transfer from one line to another;</p>	<p>The following criteria were added to the list:</p> <ul style="list-style-type: none"> • “Eight (8) points to a project that is family housing in a Community of Opportunity and meets either of the following criteria: <ul style="list-style-type: none"> a) located within a two (2) mile radius of a passenger boarding and alighting location of a planned or existing bus or transit rail stop or station; or b) augments the minimum threshold tenant services by providing (or arranging for the provision of) alternate forms of free or subsidized transportation services and assistance for residents of the project beginning no later than 8:00 am and ending no 	<p>Language added that expands TOD criteria. New chart added.</p>	<p>Language required per DHCD/HUD/BRHC Settlement. Expanded definition of TODs is intended to increase availability of sites that qualify for full points in Communities of Opportunity.</p>

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	<p>Eight (8) points to a project located in an area defined as rural by DHCD or USDA and located within one (1) mile radius of a passenger boarding and alighting location of a planned or existing bus or transit rail stop or station; Eight (8) points to a project that is family housing in a Community of Opportunity and located within one (1) mile radius of a passenger boarding and alighting location of a planned or existing bus or transit rail stop or station; or Four (4) points to a project located in a transit-proximate development that promotes walkability and/or bike-friendly land use with easy access to mass transit and retail store locations with a WALK Score of 50 or greater (www.walkscore.com)."</p>	<p>earlier than 6:00 pm, Monday through Friday (such as on-demand paratransit, vans, microtransit, taxi, "Uber" or "Lyft" service, "Zip Car" or other car sharing services, or car purchase programs such as Vehicles for Change and Wheels for Work, but any chosen services must be available to all residents and not restricted to service for the elderly or disabled)</p> <ul style="list-style-type: none"> • Four (4) points to a project served by Demand Responsive Transit (DRT). The project is served by a DRT service beginning no later than 8 am and ending no earlier than 6 pm, Monday through Friday. DRT must be available to all residents and not restricted to service for the elderly or disabled. DRT service funded solely by the project is acceptable for points in this category. • Four (4) points to a project offering car sharing. The project is located with ¼ mile of a car share vehicle (i.e. Zip Car, U Care share, I Go Cars, Hertz 24/7), or is proposing a car share service on site. • Points will be allocated to a project located in a transit-proximate development that promotes walkability and/or bike-friendly land 		

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		<p>use with easy access to mass transit and retail store locations based on its WALK Score (www.walkscore.com)."</p>		
4.4.1 Income Targeting	<p>"Divide the result by the total number of income restricted bedrooms and round to the nearest full percentage point to determine the weighted average."</p>	<p>"Divide the result by the total number of income restricted bedrooms and round to the nearest one hundredth of a percentage point to determine the weighted average."</p> <p>"Two (2) additional points will be awarded in this category to family projected located in a Community of Opportunity in the Baltimore Region. The Baltimore Region includes Anne Arundel, Baltimore, Carroll, Harford, and Howard Counties, and the City of Baltimore."</p>	<p>Language changed. New point chart and example calculation provided.</p> <p>Language added about bonus points.</p>	<p>Incentive added to achieve unit production goal per DHCD/HUD/BRHC Settlement. New point chart is intended to allow for more refined scoring gradations and eliminate need for tie-breaker in scoring.</p>
4.4.2 Targeted Populations: PWD or Special Needs	<p>"Applicants seeking points under this section for PWD must agree to provide notice of unit availability to and accept tenant referrals from MDH and MDOD. Applicants seeking points under this section for a target population other than PWD must specifically market set-aside units to the targeted population(s) as evidenced by a memorandum of understanding or other formal written agreement between the owner, the</p>	<p>Added new language: "DHCD intends to establish a web-based process for service providers to connect their target population-eligible clients to available units set-aside for that specific targeted population. When such a system is created by DHCD, applicants seeking points under this section for any and all set-aside target population units must agree to provide notice</p>	<p>Language added about tenant referrals.</p>	<p>DHCD is seeking to increase use and capacity of its online unit referral system MDHousingSearch.org.</p>

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	property manager, and one or more local public or nonprofit service providers that regularly work with the targeted populations being served by the project.”	of unit availability and accept tenant referrals from such a DHCD system.”		
4.4.3 Family Housing	Section 4.4.3 deleted from 2016 Guide and replaced with chart.	See new chart in section 4.4.3.	Language added. New point chart and scoring examples provided.	Section changed per requirements of DHCD/HUD/BRHC settlement.
4.4.6 New Construction of Affordable Housing	<p>“Up to four (4) points will be awarded to a project that involves the acquisition and rehabilitation of an existing multifamily rental housing development, whether or not it has existing rent or income restrictions, provided the project agrees to affordability restrictions for at least forty (40) years as follows:</p> <p>Family preservation projects located in a Community of Opportunity – 4 points All other preservation projects – 3 points”</p>	<p>“Up to four (4) points will be awarded to a project where at least 60% of the units are newly constructed multifamily rental housing with affordability restrictions for at least forty (40) years.</p> <p>Note: For the purposes of this scoring criteria, the Baltimore Region includes Anne Arundel, Baltimore, Carroll, Harford, and Howard Counties, and the City of Baltimore.”</p>	Language changed. New point chart provided.	Incentive added to promote new construction in Communities of Opportunity in the Baltimore Region in accordance with DHCD/HUD/BRHC Settlement. Retaining a scoring preference for preservation would be counter to the goals of the Settlement Agreement.
4.5.1 Direct Leveraging		“Two (2) additional points will be awarded in this category to family projects located in a Community of Opportunity in the Baltimore Region. The Baltimore Region includes Anne Arundel, Baltimore, Carroll, Harford, and Howard Counties, and the City of Baltimore.”	Language added. New point chart provided.	Incentive added to achieve unit production goal per DHCD/HUD/BRHC Settlement.

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4.5.2 Operating Subsidies	"DHCD will multiply that figure by the duration of the subsidy (not to exceed fifteen (15) years) and divide by the number of affordable units in the project."	"DHCD will multiply that figure by the duration of the subsidy (not to exceed fifteen (15) years) and divide by the total number of units in the project."	Language changed.	Clarifying language.
4.6.1 Green Features	"Ten (10) points will be awarded to projects that do not complete the actual certification process as noted above but instead continue to meet the minimum score as indicated in the application for the certification. The certifying entity's published scoring checklist and scorecard must be submitted and completed by the project architect or a qualified third party, and they must provide a statement explaining how the items listed on the checklist will be verified during construction."	"Ten (10) points will be awarded to projects that do not complete the actual certification process as noted above but instead continue to meet the minimum score as indicated in the application for the certification. The certifying entity's published scoring checklist and scorecard must be submitted and completed by the project architect or a qualified third party, and they must provide a statement explaining how the items listed on the checklist will be verified during construction. The scorecard must demonstrate and identify the score and level of certification intended to be achieved as defined within the "green" guidelines at the time of application..."	Language added about green guidelines.	Clarifying language.
Appendix B and C	These sections have been deleted and replaced with a new Fee Schedule.	Draft Fee Schedule will be posted as a stand-alone document on October 23, 2017.		