

**Housing Innovation Pilot Program**

# Awardee Submission Package

Maryland Department of Housing and Community Development

Community Development Administration

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INTRODUCTION

The Maryland Department of Housing and Community Development (the “Department”) administers financing programs for the construction, acquisition, and rehabilitation of multifamily rental housing.

The Housing Innovation Pilot Program (HIPP) provides low- or no-interest loans to local housing authorities or to county governments partnering with housing developers. In addition, the Fund may be used for projects where a county, in conjunction with a local housing authority or a housing developer, acquires existing private-sector housing. to create opportunities for public housing authorities and county governments to increase the volume of housing production and reward counties pursuing innovative solutions to the problem of housing scarcity

**SUBMISSION REQUIREMENTS**

All requests for funding must use this application form and are subject to the Department’s underwriting and construction reviews.

**Submission Process:**

HIPP will utilize a 2-step application process. All projects competing for HIPP funding must submit a full Application Submission Package prior to the application deadline. Projects that are awarded funding will be required to submit the Awardee Submission Package within ninety (90) days of being awarded funds.

**Form of Submission:**

One complete electronic application, including attachments and exhibits, along with an application fee (if applicable) must be submitted. Each section, attachment, and exhibit must be clearly tabbed so that a reviewer may easily find the necessary materials. Application forms should not be retyped, changed, or modified in any manner. All information on the application form must be completed or indicated that it is not applicable and all required exhibits must be included. The files should not be scanned versions of printed materials. Electronic signatures are accepted in the Application Submission Package. The electronic application must be submitted via Drop Box. Use the [Electronic Submission Package Request Form](https://dhcd.maryland.gov/HousingDevelopment/Pages/MF/ApplicationRequest.aspx) in the Multifamily Library to request an electronic application folder. DHCD reserves the right to require printed copies of the application upon request.

**THRESHOLD CHECKLIST**

Projects applying for HIPP must meet the following threshold criteria established in the Multifamily Rental Financing Program Guide.

|  |  |
| --- | --- |
| **Meets Requirements** | **Threshold Requirements** |
| ☐ | 3.1 Development Team Requirements  3.1.1 Previous Project Performance  3.1.2 Credit History |
| ☐ | 3.2 Occupancy Requirements  3.2.1 Minimum Income and Rent Restrictions  3.2.4 Relocation and Displacement |
| ☐ | 3.3 Marketing and Tenant Selection Policy Requirements  3.3.2 Affirmative Fair Housing Marketing  3.3.3 Tenant Selection Policies |
| ☐ | 3.5 Persons With Disabilities (PWD) and Persons Experiencing Homelessness  3.5.1 Uniform Federal Accessibility Standards Requirements  3.5.2 Family Housing Developments – Units for Persons with Disabilities |
| ☐ | 3.6 Other Financing Commitments |
| ☐ | 3.9 Underwriting Standards  3.9.1 Maximum Rents  3.9.2 Vacancy  3.9.3 Operating Expenses  3.9.4 Reserves for Replacement  3.9.5 Operating Reserves  3.9.6 Trending  3.9.7 Debt Service Coverage Ratio  3.9.8 Development Costs And Fees  3.9.8.1 Acquisition  3.9.8.3 Professional Fees\* |
| ☐ | 3.10 Readiness To Proceed and Financial Feasibility |
| ☐ | 3.11 Site Requirements  3.11.1 Site Control  3.11.2 Utility Availability  3.11.3 Zoning  3.11.4 Environmental Assessments  3.11.5 Scattered Sites  3.11.6 Exceptions  3.11.7 New Construction - Priority Funding Areas (Smart Growth) |
| ☐ | 3.13 Development Quality Thresholds\*\*  3.13.1 Criteria Applicable to All Projects  3.13.2 Additional Criteria Applicable Only to New Construction, Gut Rehabilitation, And Adaptive Re-Use  3.13.3 Additional Criteria Applicable Only to Substantial Renovation  3.13.4 Lead Hazard Elimination |

\* Only new construction and substantial renovation projects are eligible for developer’s fees, as described in 3.9.8.3 of the Guide**.**

\*\* Only applicable to new construction and substantial renovation projects

EXHIBIT A: SITE INFORMATION

**Site Map and Photographs**

Include a site map clearly showing area amenities (such as schools, parks, shopping, and public transportation). The site map should include approximate distances from the site to the amenities. Also include photographs of the site, any existing buildings, and the adjacent properties. Each picture should contain a description of the location of the photographed site relative to the subject site and a description of the surrounding property’s use and the direction toward which the photographs were taken.

**Priority Funding Area Designation**

All projects involving new construction must be located in a Priority Funding Area (PFA). Rehabilitation projects are not subject to this requirement. Please refer to Section 3.11.7 of the Guide for more information. If you are uncertain if your project is located in a Priority Funding Area, please contact the Department for assistance before submitting an application for financing.

**Environmental Checklist**

Each project must comply with applicable requirements of local, state, and federal environmental laws and regulations. An initial due diligence evaluation of the site for environmental issues is required. This evaluation includes a review of foundation conditions, man-made hazards, storm water runoff, underground storage tanks, and potential for lead-based paint, radon gas, mold, PCB’s or asbestos in existing buildings. Applicants complete and attach the Environmental Due Diligence Checklist (which is included at the end of this exhibit) for the preliminary evaluation of the site. If a U.S. Department of Housing and Urban Development (HUD) environmental clearance has already been performed, you may submit it with the application instead of the Environmental Due Diligence Checklist. Please refer to Section 3.11.4 of the Guide for more information.

**Zoning**

Properties must be properly zoned for their intended use. A letter from the local zoning office indicating that the project is properly zoned for its intended use should be attached as part of this exhibit. If a zoning change, variance, or exception is required, sponsors must provide documentation illustrating the local planning and zoning process and identifying a local governmental contact person familiar with the project and responsible for the approval process. Sponsors must also provide a detailed schedule for obtaining the required approvals. Please refer to Section 3.11.3 of the Guide for more information.

**Site Control**

Applicants must have obtained sufficient site control to allow projects to move forward within normal processing timeframes if they receive a reservation of funds or LIHTC. Generally, site control should be for at least 180 days from the application deadline date (including extension options). Site control should include a detailed list of all addresses in the project. If the project is located on a scattered site, the address list should be broken down by parcel. Please refer to Section 3.11.1 of the Guide for more information.

**ATTACHMENTS**

**Site Map and Photographs**

* Site Map
* Photographs of Project Site and Surroundings

**Priority Funding Area**

* Local Government Certification
* Not Applicable. The project is a rehabilitation project and is not subject to this requirement

**Environmental Checklist**

* Environmental Due Diligence Checklist (attached)
* HUD Environmental Clearance (alternative)

**Zoning**

* Evidence of Zoning with Local Contact Information
* Description of Change, Variance or Exception Required
* Detailed Process and Schedule for Obtaining Required Approvals

**Site Control**

* Evidence of Site Control
* Proposal for Identifying Sites

***ENVIRONMENTAL DUE DILIGENCE CHECKLIST***

Project:

Date:

Investigator:

Percentage of Living Units Reviewed: %

Percentage of Site Actually Walked and Observed: %

|  |  |  |  |
| --- | --- | --- | --- |
| **Environmental Risks** | **Observed** | Possible | **Not Observed** |
|  |  |  |  |
| Asbestos | ☐ | ☐ | ☐ |
| Asbestos Containing Materials | ☐ | ☐ | ☐ |
| Lead Paint | ☐ | ☐ | ☐ |
| Underground Storage Tanks, Lines and Vents | ☐ | ☐ | ☐ |
| Above Ground Chemical Storage or Products | ☐ | ☐ | ☐ |
| Visible Soil Discoloration | ☐ | ☐ | ☐ |
| Buried Waste | ☐ | ☐ | ☐ |
| PCB Transformers or Light Ballast | ☐ | ☐ | ☐ |
| Surface Water Discharge | ☐ | ☐ | ☐ |
| Sensitive Adjacent Properties | ☐ | ☐ | ☐ |
| Potential Contaminated Adjacent Properties | ☐ | ☐ | ☐ |
| Air Emissions | ☐ | ☐ | ☐ |
| Wetland Areas | ☐ | ☐ | ☐ |
| Sanitary Sewer Failure | ☐ | ☐ | ☐ |
| On-lot Septic | ☐ | ☐ | ☐ |
| Private Water Supply | ☐ | ☐ | ☐ |
| Surface Impoundment | ☐ | ☐ | ☐ |
| Excessive Noise | ☐ | ☐ | ☐ |
| Foul Odors | ☐ | ☐ | ☐ |
| French Drain or Disposal Pit | ☐ | ☐ | ☐ |
| Unsafe Material Management Practices | ☐ | ☐ | ☐ |
| Pipe Leaks | ☐ | ☐ | ☐ |
| Mold | ☐ | ☐ | ☐ |
| Radon Gas | ☐ | ☐ | ☐ |

|  |  |  |  |
| --- | --- | --- | --- |
| Geologic Features |  | Observed | **Not Observed** |
|  |  |  |  |
| Streams |  | ☐ | ☐ |
| Lakes |  | ☐ | ☐ |
| Ponds |  | ☐ | ☐ |
| Sink Holes |  | ☐ | ☐ |
| Rock Outcrops |  | ☐ | ☐ |
| Springs |  | ☐ | ☐ |
| Steep Slopes |  | ☐ | ☐ |
| Poor Drainage |  | ☐ | ☐ |

***EXHIBIT B: FINANCIAL STATEMENTS OF DEVELOPERS, OWNERS AND GUARANTORS***

Financial statements for the three fiscal years prior to the application and interim financial statements through the previous quarter are required for the project sponsor, project owner, guarantor, and general partner/managing member with an ownership interest in the project’s ownership entity whether such roles are held by individuals, corporate entities, partnerships, or limited liability companies. Each financial statement must identify all contingent liabilities including guarantees on other developments in process, income taxes estimated or accrued, and operating deficits.

If the most recent fiscal year ends within 3 months of or after the submission period, the applicant shall submit financial statements for the three prior fiscal years plus interim financial statements through the previous quarter of the most recent fiscal year that have been certified. Financial statements must meet the Department’s standards as follows:

* For corporations or other business entities:
* Financial statements must be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and be audited by an independent certified public accountant (CPA) and clearly indicate the net worth and working capital of each entity; or
* At a minimum must be certified, compiled, or reviewed by an independent CPA prepared in accordance with GAAP and clearly indicate the net worth and working capital and all contingent liabilities, including liability for estimated or accrued income or other taxes.
* For individuals acting as guarantors:
  + Financial statements, at a minimum, must be compiled by an independent CPA and clearly indicate the net worth and working capital and all contingent liabilities, including liability for estimated or accrued income or other taxes, for each person; and be signed by the guarantors as follows:

“*Subject to the penalties prescribed under Title 4 of the Housing and Community Development Article of the Annotated Code of Maryland, I (we) hereby certify that these financial statements are true and correct to the best of my (our) knowledge and belief*.”

All corporations, limited liability companies, or partnerships that make up the Developer or that will provide guarantees to the transaction must submit audited, reviewed or compiled financial statements, as well as interim statements acceptable to DHCD. Project guarantors must provide audited or reviewed financial statements for the most recent year. Developers/sponsors with twenty-five (25) percent or greater ownership must provide audited or reviewed financial statements for the most recent year. If possible, financial statements should be prepared according to GAAP. Any individuals providing guarantees or who will be a managing member or general partner in the Developer must submit personal financial statements, including certifications acceptable to DHCD. The required financial statements must include calculations of total assets, total liabilities, current assets, and current liabilities. Complete financial statement requirements may be found in the Application Submission Package.

Upon written request and at the Department’s sole discretion, the requirement for statements not meeting the above criteria may be waived if applicants have an acceptable borrowing history as evidenced by past performance with the Department or other lenders. See Exhibit F for more information on waivers of application requirements.

Credit references from at least three previous lenders must also be provided.

**ATTACHMENTS**

* Financial Statement (prepared by independent CPA)
* Credit References
* Financial Capacity Self-Scoring Form (Included in CDA Form 202 – Multifamily Rental Financing Application)

EXHIBIT C: CONSTRUCTION THRESHOLD INFORMATION

**Development Quality Threshold Narrative**

A narrative or chart (table) must be provided that describes how the minimum mandatory standards will be met in order for a project to pass threshold. It is recommended that the narrative address each bulleted point and clearly identify how the criteria will be met. Include any corresponding support documentation, or reference where the information can be found in the construction documents.

**Cost Estimates and Waiver**

A breakdown of the construction or rehabilitation costs shown in the application’s development budget must be provided on the Department’s Form 212—Summary Cost Estimate. Form 215 is not required at this stage. (form available through DHCD’s website at <http://dhcd.maryland.gov/HousingDevelopment/Pages/MFLibrary.aspx#appdocs>). The cost estimates must be prepared and signed by the architect or general contractor for the project. The construction or rehabilitation costs must be within a reasonable range for the scope of work proposed. If the proposed costs exceed the Department’s standards up to 8 points may be deducted from scoring unless a construction cost waiver is approved (include under Exhibit F: Certifications and Waiver Requests). Please refer to Section 4.5.3 of the Guide for more information on construction cost limitations and Section 5.2.3 of the Guide for more information on construction cost waivers.

**Building Evaluation Report**

For projects that involve the rehabilitation of existing buildings, including gut rehabilitation and adaptive re-use, applicants must provide a preliminary engineering assessment of the buildings. In rehabilitating properties, developers may encounter unforeseen issues that can delay, increase the cost of, or even halt rehabilitation. To avoid this, the Department requires that a third-party consultant who is independent from the development team, complete an assessment of the property. Guidelines for the Building Evaluation Report are provided at the end of this exhibit. Provide an electronic copy of the Building Evaluation Report with the application.

**Schematic Documents**

The guidelines that are included at the end of this exhibit outline the preliminary development documents that should be submitted with the application. The documents indicated in this section are considered minimum requirements and should be amended to meet the specific project requirements. Items that generally apply only to renovation projects are indicated. Provide an electronic copy of the Schematic Documents with the application.

**Certification for Building Accessibility Consultant**

A signed Certification concerning the use of a building accessibility consultant as detailed in Section 3.13.1 item 2 of the Guide must be included in the Application.

**Certification for RESNET Certified HERS Rater/BPI Certified Professional**

A signed Certification concerning the use of a RESNET Certified HERS rater/BPI Certified Professional as detailed in Section 3.13.1 item 3 of the Guide must be included in the Application.

**ATTACHMENTS\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

* Development Quality Threshold Narrative/Chart
* Form 212—Summary Cost Estimate (form available in the [Multifamily Library](http://dhcd.maryland.gov/HousingDevelopment/Pages/MFLibrary.aspx) on DHCD’s website)
* Building Evaluation Report (guidelines attached)
* Schematic Documents (guidelines attached)
* Construction costs waiver request, if applicable
* Building Accessibility Consultant Certification (attached)
* RESNET Certified HERS rater/BPI Certified Professional Certification (attached)
* Certification regarding 15% savings and Energy Audit Requirements (Rehabilitation Projects only) (attached)

***BUILDING EVALUATION REPORT GUIDELINES***

***For Rehabilitation Projects Only***

**EXISTING CONDITION ASSESSMENT**

Provide a summary of the existing conditions using the 16 CSI (or current) format of construction divisions and include the following:

* The date of install or replacement;
* A description of the material and/or type of system;
* An evaluation of the existing structural system;
* An assessment of the current condition; and
* Photographs showing the existing condition.

**PRELIMINARY SCOPE OF WORK**

Include a written scope of work using the 16 CSI (or current) construction divisions for each of the following:

* Proposed work to the above elements;
* New Systems and structures and how they will be integrated into the existing work;
* Other information as may be required to describe adequately the project; and
* For any unusual conditions or areas of concern include photographs and a narrative specific to the condition.

**PROJECT WALK THROUGH**

Include the results of a survey of a minimum of 15% of the units including:

* Photographs of the building exterior and interior in sufficient detail and quantity to fully describe the existing conditions;
* Labeling of all photographs with a description of existing conditions and how these are anticipated to be modified by the work;
* A key plan indicating location of each photograph; and
* A listing of the units reviewed and significant findings coordinated with the written scope of work above.

***SCHEMATIC DOCUMENTS***

**DRAWING REQUIREMENTS**

All of the following documents must reflect the general intent of the project and generally delineate the proposed project scope, as well as submission level. Provide drawings to scale as noted below. In order to distinguish between the design documents submitted, please label the cover page of each set with the overall percent complete. (i.e. 65% complete, 95% complete, etc.)

1. **Civil Engineering Documents**
   1. Proposed Site Plan (min 1”:50’) including the following:

* All existing structures and location of all proposed structures
* Basic storm water considerations
* Existing and proposed roads and parking elements
* Approximate location of all existing utilities
  1. Information concerning the proposed site specific to the project, accessibility and visitability features, retaining walls, etc.

1. **Architectural Documents**
   1. Title Sheet

* Project Information including Project name and address
* The names, addresses and telephone numbers of the Owner and all Consultants
* The date
* The submissions level
* List of Drawings
* Project Area Breakdown
* Unit Mix and Square Footages
* Vicinity Map
  1. Schematic Demolition Floor Plans for Each Building Level (1/8” scale min)[[1]](#footnote-1)\*
  2. Schematic Preliminary Floor Plans for Each Building Level (1/8” scale min)
  3. Schematic Demolition Plans of Individual Units (1/4” scale min)\*
  4. Schematic Individual Unit Plans (1/4” scale min)
  5. Schematic Exterior Building Elevations (1/8” scale min)
* Provide elevations of all major exterior wall areas
* Provide schematic key plan indicating elevation locations
* Include Demolition information as required.\*

1. **Structural Documents**
   1. Information concerning the proposed Structural Systems and Information on Unusual Conditions, as required
   2. Information on the existing structural systems and the effect that the project will have on these\*
2. **Plumbing Documents**
   1. Information concerning the proposed Plumbing Systems and Information on Unusual Conditions, as required
   2. Information on the existing plumbing systems and the effect that the project will have on these[[2]](#footnote-2)\*
3. **HVAC**
   1. Information concerning the proposed HVAC Systems and Information on Unusual Conditions, as required
   2. Information on the existing HVAC systems and the effect that the project will have on these\*
4. **Electrical**
   1. Information concerning the proposed Electrical Systems and Information on Unusual Conditions, as required
   2. Information on the existing electrical systems and the effect that the project will have on these\*
5. **Air Sealing**
   1. Utilize the air sealing guidance identified in section 3.13.3 as a basis in identifying air sealing opportunities for rehabilitation projects.
   2. Air sealing details to include sealing tenant unit typical conditions where there are penetrations or breaks in the air barrier plane, changes in construction type, typical hidden conditions such as holes behind cabinets and appliances where those items will be replaced, and Information on Unusual Conditions, as required
   3. Air sealing details to include sealing typical building envelope conditions based on the buildings inherent design deficiencies where there are penetrations or breaks in the air barrier plane, at intersections of different building materials, and Information on Unusual Conditions, as required
   4. Air sealing for new construction shall comply with the most current version of the IECC.

**SPECIFICATION REQUIREMENTS**

1. **Outline Specifications**
   1. The Application Outline Specification shall include all sections of the 16 Division CSI format applicable to project. The outline specifications should support the information described in the threshold and scoring criteria.
   2. The specification need not be in a complete CSI/MasterSpec format

* The section numbering and naming shall comply with the CSI 16 Division format
* Parts I- “General” may be omitted
* Part II- “Products” shall list all products anticipated for use in that section
* Part III- “Execution” may be omitted
  1. The Specification cover shall include the following:
* The names, addresses and telephone numbers of the Owner and all Consultants
* The project name and address
* The date
* The submissions level
  1. A complete table of contents shall be included at the front of the Specification
  2. Division I
* Include General Conditions and other project requirements, including those of the lender
* Include Specific Renovation/Demolition related sections as required\*[[3]](#footnote-3)
  1. Division II—where Division II is prepared by a separate Owner-retained Consultant, bind these Sections into the single Project Specification
  2. Divisions II through XVI
* Include sections for all proposed elements
* Include Specific Renovation/Demolition related sections as required\*

**Maryland Department of Housing and Community Development**

**OWNER/SPONSOR CERTIFICATION OF THE USE OF A BUILDING ACCESSIBILITY CONSULTANT**

(Submit under Exhibit C in Application)

Project Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The Maryland Department of Housing & Community Development (DHCD) requires the use of a building accessibility consultant in the use of any New Construction or Rehabilitation projects. As the Owner/Sponsor I hereby certify that the above referenced project:

* **Building Accessibility Consultant**

If funded, the developer is to directly employ a building accessibility consultant to work with the Development Team using accepted practices and levels of professional care to ensure accessibility compliance with DHCD requirements, and applicable state and federal accessibility laws and requirements. If the project is funded, this certifies that a building accessibility consultant will be engaged under the direction of the developer in the project design and review, provide in-progress construction quality assurance, in-progress training where contractor/design deficiencies related to accessibility are identified, and perform post construction evaluation to assist the project with achieving compliance.

This certification is in accordance with the requirements of Section 3.13.1 item 2 of the Multifamily Rental Financing Program Guide.

OWNER/SPONSOR

Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Printed Name and Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Company Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Maryland Department of Housing and Community Development**

**OWNER/SPONSOR CERTIFICATION OF THE USE OF A RESNET CERTIFIED HERS RATER/BPI CERTIFIED PROFESSIONAL**

(Submit under Exhibit C in Application)

Project Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The Maryland Department of Housing & Community Development (DHCD) requires the use of a RSNET Certified HERS rater/BPI Certified Professional in the use of any New Construction or Rehabilitation projects. As the Owner/Sponsor I hereby certify that the above referenced project:

* **RESNET Certified HERS rater/BPI Certified Professional**

If funded, the developer is to directly employ a RESNET Certified HERS rater for new construction projects, or a RESNET Certified HERS rater or BPI Certified Professional for rehabilitation projects to work with the Development Team using accepted practices and levels of professional care to achieve applicant-stated energy goals, DHCD requirements, and the State’s adopted energy codes. If the project is funded, this certifies that a RESNET Certified HERS Rater/BPI Certified Professional will be engaged under the direction of the developer in the project design and review, provide in-progress construction quality assurance and performance testing (blower door, bathroom ventilation, and duct leakage), in-progress training where contractor/design deficiencies related to energy efficiency are identified, and perform post construction evaluation and performance testing to assist the project with achieving applicant stated goals.

This certification is in accordance with the requirements of Section 3.13.1 item 3 of the Multifamily Rental Financing Program Guide.

OWNER/SPONSOR

Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Printed Name and Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Company Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Maryland Department of Housing and Community Development**

**OWNER/SPONSOR CERTIFICATION REGARDING 15% ENERGY SAVINGS, SCOPE OF WORK, AND BUDGET MODIFICATIONS RESULTING FROM THE COMPREHENSIVE ENERGY AUDIT**

(Submit under Exhibit C in Application)

Project Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The Maryland Department of Housing & Community Development (DHCD) requires the project to modify the work scope and budget relating to the findings of the comprehensive energy audit. As the Owner/Developer I hereby certify that the above referenced project:

* **Energy Efficiency**

Will achieve a minimum of 15% energy savings for the rehabilitated building(s) over the existing building condition.

* **Energy Audit**

If funded, will submit a comprehensive energy audit report within 90 days of issuance of a reservation letter. Energy audits and resulting reports must be performed by a DHCD listed Qualified Auditor and be prepared in accordance with DHCD Energy Audit Guidance. The energy audit report must show the scope of work will achieve a minimum of 15% energy savings over pre-rehabilitation conditions as required for Threshold review.

The applicant further certifies that the scope of work and budget will be modified as necessary to achieve a minimum 15% savings as determined through the energy audit.

This certification is in accordance with the requirements of Section 3.13.3 of the Multifamily Rental Financing Program Guide.

OWNER/SPONSOR

Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Printed Name and Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Company Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***EXHIBIT D: CERTIFICATIONS AND WAIVER REQUESTS***

**EXHIBIT D.1: THRESHOLD OWNER/SPONSOR CERTIFICATIONS**

To address additional Project Threshold Criteria outlined in Section 3 of the Guide, the Sponsor/Owner Certification included at the end of this exhibit must be completed:

**Relocation Plan**: Sponsors need not submit a relocation plan to the Department at the time of application. Sponsors should execute the Sponsor Certification agreeing to comply with the Department’s requirements. Please refer to Section 3.2.4 of the Guide for more information.

**Tenant Selection Policies**: Sponsors must certify that they will use a tenant selection policy that meets the requirements outlined in Section 3.3.3 of the Guide. Tenant Selection Plans must be submitted to DHCD for review prior to closing. Please refer to Section 3.3.3 of the Guide for more information.

**Uniform Federal Accessibility Standard Requirements - Preference for Persons with Physical Disabilities**: Sponsors must certify that they will meet the Department’s threshold requirements for providing a preference for individuals with disabilities in the marketing of UFAS units. 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). Please refer to Section 3.5.1 of the Guide for more information.

**Family Housing – Units Reserved for Persons with Disabilities:** All family projects must reserve the UFAS units under Section 3.5.1 for PWD households for a period not less than sixty (60) calendar days both at initial lease-up and upon turnover. Please refer to Section 3.5.2 of the Guide for more information.

**Utility Availability**: Sponsors need not submit letters from utility companies verifying that services are available. Sponsors should execute the Sponsor Certification agreeing to comply with the Department’s requirements. Please refer to Section 3.11.2 of the Guide for more information.

**EXHIBIT D.2: AFFIRMATIVE FAIR HOUSING MARKETING CERTIFICATION**

Sponsors must include a certification that the project will develop and implement an Affirmative Fair Housing Marketing Plan (AFHMP) that meets the requirements of Section 3.3.2 of the Guide using [form HUD-935.2A](http://portal.hud.gov/hudportal/documents/huddoc?id=935-2a.pdf).

**ATTACHMENTS**

EXHIBIT D.1: THRESHOLD OWNER/SPONSOR CERTIFICATIONS

* Threshold Owner/Sponsor Certifications (attached)

EXHIBIT D.2: AFFIRMATIVE FAIR HOUSING MARKETING CERTIFICATION

* Threshold Affirmative Fair Housing Marketing Certification (attached)

Maryland Department of Housing & Community Development

Owner/Sponsor Certifications

(Submit under Exhibit D in Application)

Instructions: Check box next to each item. The designated/authorized representative must execute this certification form.

Project Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The Maryland Department of Housing & Community Development (DHCD) requires all projects meet the following Threshold requirements. As the Owner/Developer I hereby certify that the above referenced project will provide:

□ Relocation and Displacement

As stated in Section 3.2.4 of the Multifamily Rental Financing Program Guide (posted on the DHCD website), I hereby certify that the referenced project meets the threshold requirements established in the Guide for relocation and displacement.

□ Tenant Selection Policies

As stated in Section 3.3.3 of the Multifamily Rental Financing Program Guide (posted on the DHCD website), I hereby certify that the referenced project will prepare and submit a tenant selection plan for DHCD review prior to closing that meets the requirements established in the Guide.

**□Uniform Federal Accessibility Standard Requirements - Preference for Persons with Physical Disabilities**

As stated in Section 3.5.1 of the Multifamily Rental Financing Program Guide (posted on the DHCD website), I hereby certify that the referenced project meets the threshold requirements established in the Guide for Uniform Federal Accessibility Standard Requirements -Preference for Persons with Physical Disabilities.

□ Family Housing Developments – Units Reserved for Persons with Disabilities

As stated in Section 3.5.2 of the Multifamily Rental Financing Program Guide (posted on the DHCD website), I hereby certify that the referenced project meets the threshold requirements established in the Guide for Family Housing Developments – Units for Persons with Disabilities.

□ Utility Availability

As required by Section 3.11.2 of the Multifamily Rental Financing Program Guide (posted on the DHCD website), I hereby certify that the referenced project meets the threshold requirements established in the Guide for utility availability.

OWNER/SPONSOR:

Project Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Printed Name and Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Company Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Maryland Department of Housing & Community Development

Affirmative Fair Housing Marketing Certification

(Submit under Exhibit D in Application)

Project Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The Maryland Department of Housing & Community Development (DHCD) has a compelling interest in creating fair and open access to affordable housing and promoting compliance with state and federal civil rights obligations. The State of Maryland Fair Housing requirements apply to the full spectrum of housing activities, including, but not limited to, outreach and marketing, qualification and selection of residents, and occupancy.

As stated in Section 3.3.2 of the Multifamily Rental Financing Program Guide, all applications must include a certification that the project will develop and implement an Affirmative Fair Housing Marketing Plan (AFHMP) using [form HUD-935.2A](http://portal.hud.gov/hudportal/documents/huddoc?id=935-2a.pdf).

As the Owner/Developer I hereby certify that the AFHMP for above referenced project will include, at a minimum, the following provisions:

* Prohibit income requirements for prospective tenants with Housing Choice Vouchers or similar vouchers, including, but not limited to, VASH, Shelter Plus Care, Bridge Subsidy and Continuum of Care;
* Eliminate local residency preferences;
* Ensure access to leasing offices for persons with disabilities;
* Provide flexible application and office hours to permit working families and individuals to apply;
* Encourage credit references and testing that take into account the needs of persons with disabilities or special needs;
* 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 or Memorandums of Understanding;
* 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
* Develop marketing strategies to identify applicants that are least likely to apply.

In the event HUD updates Form HUD-935.2A or DHCD later publishes additional AFHMP requirements, applicants will be required to use the newest versions of such forms and/or criteria available.

Prior to closing, DHCD will review the AFHMP to ensure the AFHMP is in conformance with all HUD and DHCD requirements and will reject any AFHMP not in conformance. Additionally, projects must review and update their AFHMP at least every five (5) years or more frequently if required by DHCD. Failure to comply with an approved AFHMP will result in negative points in future applications as described in [Section 4.1.2](#_heading=h.3rdcrjn).

OWNER/SPONSOR:

Project Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Printed Name and Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Company Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. \* Generally applies only to renovation projects. [↑](#footnote-ref-1)
2. \* Generally applies only to renovation projects. [↑](#footnote-ref-2)
3. \* Generally applies only to renovation projects. [↑](#footnote-ref-3)