

Proposed Changes to the Qualified Allocation Plan and Multifamily Financing Program Guide 11/18/2019

The Department’s Proposed Changes to the Qualified Allocation Plan

Existing Section	Existing Language	Proposed Language	Action	Rationale
<p>F.2 Choice Neighborhood with Permanent Supportive Housing Set-Aside</p>	<p>“In addition to the required Non-Profit Set-Aside, CDA will establish a set-aside of up to \$1.5 million of competitively allocated LIHTC in the 2019 Competitive Funding Round to fund one (1) Permanent Supportive Housing (PSH) project (the PSH Set-Aside). LIHTC from the PSH Set-Aside will be awarded to the project that qualifies as a PSH project and receives the highest cumulative Permanent Supportive Housing Set-Aside Score (as detailed below). If an application for the PSH Set-Aside does not receive an allocation from the PSH Set-Aside, the application will then be reviewed in accordance with the requirements for all other applications in the Competitive Funding Round. If no eligible applications are received or the full amount of the PSH Set-Aside is not awarded in the 2019 Competitive Funding Round, the PSH Set-Aside shall revert to the general pool in accordance with Section F.3 below.</p> <p><u>Permanent Supportive Housing Criteria:</u> To be eligible for an allocation of LIHTC from the PSH Set-Aside, the project must comply with the following minimum criteria.</p> <ol style="list-style-type: none"> 1. The project must meet all threshold requirements as detailed in the Guide. 2. No more than 50% of all units may be identified as PSH units meaning that the units are affordable at 30% of AMI and serve residents eligible for supportive services. 3. The project must achieve minimum scoring under the Guide in the following categories: <ol style="list-style-type: none"> a. 4.1 – Capacity of Development Team – minimum 	<p>“In addition to the required Non-Profit Set-Aside, CDA will establish a set-aside of up to \$3 million of competitively allocated LIHTC in the 2020 Competitive Funding Round to fund two (2) Choice Neighborhood with Permanent Supportive Housing (PSH) projects (the Set-Aside). LIHTC from the Set-Aside will be awarded to the two highest scoring projects that meet the criteria below. If an application for the Set-Aside does not receive an allocation from the Set-Aside, the application will then be reviewed in accordance with the requirements for all other applications in the Competitive Funding Round. If no eligible applications are received or the full amount of the Set-Aside is not awarded in the 2020 Competitive Funding Round, the Set-Aside shall revert to the general pool in accordance with Section F.3 below.</p> <p><u>Set-Aside Criteria:</u> To be eligible for an allocation of LIHTC from the PSH Set-Aside, the project must comply with the following minimum criteria.</p> <ol style="list-style-type: none"> 1. The project must meet all threshold requirements as detailed in the Guide. 2. The project must be located within the boundaries of, and contribute to, a “Choice Neighborhood” identified by HUD. 3. The project must submit a “twinning” application, as defined in Section 4.2.1 of the Guide, with an overall total of at least 150 units. 4. The combined project may not request more than 	<p>Language modified.</p>	<p>Creates structure for Choice Neighborhood Set-Aside with permanent supportive housing units.</p>

	<p>score of 40 of 74 possible points;</p> <ul style="list-style-type: none"> b. 4.3 – Transit Oriented Development (TOD) – minimum score of 4 of 8 possible points; and c. 4.6 – Development Quality Standards – minimum score of 25 of 31 possible points. <p>4. The project must have a commitment at the time of application for project-based rental subsidy with a term of at least fifteen (15) years for a minimum of 50% of the PSH units. The rent subsidy must cover the difference between 30% of the resident’s income and the fair market rent for the unit. Project-based rental assistance may be provided by a local public housing authority, USDA, or other such project-based assistance.</p> <p>5. At the time of application, the project must provide a letter of support from the applicable Continuum of Care (CoC). The letter of support must outline the relationship the project will have with the CoC regarding the coordinated entry system, referral services, supportive services, and data sharing.</p> <p>6. The project must provide a Supportive Services Plan (SSP) acceptable to CDA. The SSP must be unique to the project, provide services on site, be accepted by the applicable CoC, and address the following:</p> <ul style="list-style-type: none"> a. Populations to be served; b. Sources of funding for all supportive services and how the supportive services will be sustained over the 40-year extended use period; c. The tenant referral and selection process that evidences low barriers to access and entry for the PSH units; d. Formal and informal methods that will be used to 	<p>\$5,000,000 in State funds, as defined in Section 4.5.1 of the Guide, split between the 9% LIHTC and the MBP/4% LIHTC projects.</p> <p>5. The project must identify at least 10% of all units as PSH units, meaning that the units are affordable at 30% of AMI and serve residents eligible for supportive services. These units will count towards the targeted population units in Section 4.4.2 of the Guide.</p> <p>6. The project must achieve minimum scoring under the Guide in the following categories:</p> <ul style="list-style-type: none"> a. 4.1 – Capacity of Development Team – minimum score of 70 of 74 possible points; b. 4.2 – Community Context – minimum score of 16 of 16 possible points; c. 4.3 – Transit Oriented Development (TOD) – minimum score of 8 of 8 possible points; d. 4.4 – Public Purpose – minimum score of 38 of 46 possible points; e. 4.5 – Leveraging and Cost Effectiveness – minimum score of 18 of 25 possible points; and f. 4.6 – Development Quality Standards – minimum score of 27 of 31 possible points. <p>7. The project must have a commitment at the time of application for project-based rental subsidy with a term of at least fifteen (15) years for a minimum of 50% of the PSH units. The rent subsidy must cover the difference between 30% of the resident’s income and the fair market rent for the unit. Project-based rental assistance may be provided by a local public housing authority, USDA, or other such project-based assistance.</p> <p>8. At the time of application, the project must provide a</p>		
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	<p>evaluate the success of the SSP in meeting the individual needs of the residents, addressing overall issues of homelessness and how this information will be conveyed to CDA; and</p> <p>e. Specific services to be provided, including the following</p> <ol style="list-style-type: none"> i. Identification of partnerships with qualified service-provider agencies; ii. Methods to assess resident needs and develop a plan for service delivery; iii. How transit will be provided to off-site services and referral entities; iv. Memorandum of understanding with all applicable service providers; v. Methods to monitor and evaluate service delivery and outcomes; and vi. Methods to provide assistance in applying for Medicaid and other benefits to ensure the needs of residents are met. <p><u>Permanent Supportive Housing Set-Aside Scoring:</u> All applications for the PSH Set-Aside that meet the minimum criteria above will be reviewed and assigned a PSH Score as follows (148 maximum points):</p> <ul style="list-style-type: none"> • Guide Section 4.1 – Capacity of Development Team (74 maximum points) • Guide Section 4.3 – Transit Oriented Development (TOD) (8 maximum points) • Guide Section 4.6 – Development Quality (31 maximum points) • PSH Set-Aside Units (35 maximum points): 	<p>letter of support from the applicable Continuum of Care (CoC). The letter of support must outline the relationship the project will have with the CoC regarding the coordinated entry system, referral services, supportive services, and data sharing.</p> <p>9. The project must provide a Supportive Services Plan (SSP) acceptable to CDA. The SSP must be unique to the project, provide services on site, be accepted by the applicable CoC, and address the following:</p> <ol style="list-style-type: none"> a. Populations to be served; b. Sources of funding for all supportive services and how the supportive services will be sustained over the 40-year extended use period; c. The tenant referral and selection process that evidences low barriers to access and entry for the PSH units; d. Formal and informal methods that will be used to evaluate the success of the SSP in meeting the individual needs of the residents, addressing overall issues of homelessness and how this information will be conveyed to CDA; and e. Specific services to be provided, including the following <ol style="list-style-type: none"> i. Identification of partnerships with qualified service-provider agencies; ii. Methods to assess resident needs and develop a plan for service delivery; iii. How transit will be provided to off-site services and referral entities; iv. Memorandum of understanding with all applicable service providers; 		
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Points	# of Units
0	<20
5	20 – 30
10	30 – 40
15	>40

Points	% of Units
0	<25
5	20 – 30
10	30 – 40
15	40 – 45
20	45 – 50

The application which receives the highest PSH Score will receive an allocation of LIHTC from the PSH Set-Aside. Note: All projects competing for the PSH Set-Aside should submit a full application. Projects will first be ranked according to the Permanent Supportive Housing Set-Aside Scoring detailed above. In the case of a tie, the PSH Set-Aside LIHTC will be allocated to the project with the highest overall score in the competitive scoring process outlined in the Guide. Projects that do not receive the PSH Set-Aside will be ranked according to the Guide for consideration in the general pool.”

- v. Methods to monitor and evaluate service delivery and outcomes; and
- vi. Methods to provide assistance in applying for Medicaid and other benefits to ensure the needs of residents are met.

Note: All projects competing for the Set-Aside should submit a full application. Projects that do not receive the PSH Set-Aside will be ranked according to the Guide for consideration in the general pool.

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The Department’s Proposed Changes to the Multifamily Financing Program Guide

Threshold

Existing Section	Existing Language	Proposed Language	Action	Rationale
3.2.2 Definition of Elderly Housing		“...For any project that applies for or is the recipient of Federal HOME funds, the definition of an Elderly Household, per 24 CFR 4.403, is a household “whose head (including co-head), spouse, or sole member is a person who is at least sixty-two (62) years of age. It may include two (2) or more persons who are at least sixty-two (62) years of age living together, or one (1) or more persons who are at least sixty-two (62) years of age living with one (1) or more live-in aides”..”	Language added.	Added language to reflect federal guidelines.
3.9.7 Debt Service Coverage Ratio	“All projects must be underwritten to a minimum debt service coverage ratio (DSCR) of 1.15 in the first year of stabilized operations. The DSCR will be calculated including all must-pay debt service payments. For projects with amortizing debt service on an RHFP or RHW loan, the minimum DSCR is 1.1.”	“All projects must be underwritten to a minimum debt service coverage ratio (DSCR) of 1.15 in the first year of stabilized operations and remain above 1.00 at least through year 15. The DSCR will be calculated including all must-pay debt service payments. For projects with amortizing debt service on an RHFP or RHW loan, the minimum DSCR is 1.1.”	Language modified.	Language added to cover initial 15 year compliance period.
3.13.1 Criteria Applicable to All Projects	“...Provide a certification that the project, if funded, will employ a Residential Energy Services Network (RESNET) Certified Home Energy Rating System (HERS) rater for new construction projects, or a RESNET Certified HERS rater or Building Performance Institute (BPI) Certified Professional (Multifamily Building Analyst or Envelope Professional) for rehabilitation projects to work with	1. “...Provide a certification that the project, if funded, will employ a Residential Energy Services Network (RESNET) Certified Home Energy Rating System (HERS) rater for new construction projects, or a RESNET Certified HERS rater or Building Performance Institute (BPI) Certified Professional (Multifamily Building Analyst or Envelope Professional) for	Language modified.	Language added to require submission of HERS rating if used for the point calculation in Section 4.6.2.

	<p>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, the certified energy professional must be engaged to review and verify the design, provide construction quality assurance, and perform necessary in-progress performance testing and evaluation....”</p>	<p>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, the certified energy professional must be engaged to review and verify the design, provide construction quality assurance, and perform necessary in-progress performance testing and evaluation. The HERS rating must be submitted as part of the close out package if used in the point calculation in Section 4.6.2. ...”</p>		
<p>3.13.3 Additional Criteria Applicable Only to New Construction, Gut Rehabilitation, and Adaptive Reuse</p>	<p>“New construction, gut rehabilitation, and change in use projects (i.e. the conversion of non-residential buildings such as offices, rental, and community facilities into rental housing) do not need to submit an energy audit. Gut rehabilitation is defined, for energy conservation purposes, as demolishing the building to the building’s exterior wall structural framing and removing and replacing the existing MEP systems. The project must be certified under the current version of Energy Star New Homes, Energy Star Multifamily New Construction, or Energy Star Multifamily High Rise rating systems... All appliances must be Energy Star qualified, including vented kitchen and bathroom exhaust fans. Clothes dryers and combination microwave/range hoods are excluded.”</p>	<p>“New construction, gut rehabilitation, and adaptive reuse projects (i.e. the conversion of non-residential buildings such as offices, rental, and community facilities into rental housing) do not need to submit an energy audit. Gut rehabilitation is defined as demolishing the building to the building’s exterior wall structural framing and removing and replacing the existing MEP systems. Gut rehabilitation and adaptive reuse projects will be considered new construction projects for scoring purposes. 1. The project must be certified under the current version of Energy Star New Homes, Energy Star Multifamily New Construction, or Energy Star Multifamily High Rise rating systems. Waivers for this requirement may be requested for gut rehabilitation projects for the following</p>	<p>Language modified.</p>	<p>Language added to clarify gut rehabilitation definition</p>

		<p>elements of the Energy Star Certification:</p> <ul style="list-style-type: none"> a. The requirement for installing slab insulation for projects with slab b. The requirement for continuous exterior insulation where exterior walls are concealed by existing brick veneer. <p>All other requirements of the Energy Star program shall remain in force. If a waiver is granted, upon project completion, an energy consultant must provide a letter and energy modeling reports to the owner for submission to DHCD attesting that, with the exception of the waived items, the project has fulfilled all requirements of the Energy Star Certified Homes v3.1 program, both prescriptive and performance-based.</p> <p>... All appliances must be Energy Star qualified, including vented bathroom exhaust fans. Clothes dryers and microwave/range hoods are excluded.”</p>		
3.14.1 Base Level Energy Standards for Rehabilitation Only	“...All newly installed appliances must be Energy Star qualified, including vented kitchen and bathroom exhaust fans. Clothes dryers and combination microwave/rangehoods are exempt from this requirement....”	“...All newly installed appliances must be Energy Star qualified, including vented bathroom exhaust fans. Clothes dryers and microwave/range hoods are exempt from this requirement ...”	Language changed	Vented kitchen fans removed from Energy Star requirements under item 3.

Scoring

Existing Section	Existing Language	Proposed Language	Action	Rationale
<p>4.1.2 Deductions from Team Experience Score</p>	<p><u>“...Construction Management Issues:</u></p> <ul style="list-style-type: none"> • Failure to pay the general contractor (in accordance with the construction contract) for work-in-place; • Inability to resolve construction related issues, which result in an unreasonable delay of project completion; or • Construction cost increases after closing that are not approved by DHCD.” 	<p><u>“...Construction Management Issues:</u></p> <ul style="list-style-type: none"> • Failure to pay the general contractor (in accordance with the construction contract) for work-in-place; • Failure to make a good faith effort to meet Fair Practices goals established for previous projects; • Inability to resolve construction related issues, which result in an unreasonable delay of project completion; or <p>Construction cost increases after closing that are not approved by DHCD.”</p>	<p>Language added.</p>	<p>Language added to ensure Fair Practices goals are met.</p>
<p>4.4.1 Income Targeting</p>	<p>“...For projects that involve “twinning” of 9% LIHTC and MBP/4% LIHTC, which refers to multiple projects which, pursuant to a common plan of development, are part of a larger development located on the same or contiguous sites, include an overall total of at least 150 units, and demonstrate a need for at least \$5 million of MBP financing , the Income Targeting score 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 MBP/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...”</p>	<p>“....For projects that involve “twinning” of 9% LIHTC and MBP/4% LIHTC, the Income Targeting score for the 9% LIHTC project will be calculated taking into account the income targeting for the units associated with the 9% LIHTC <i>and</i> the MBP/4% LIHTC project. “Twinning” which refers to multiple projects which, pursuant to a common plan of development, are part of a larger development located on the same, contiguous, or proximate sites, include an overall total of at least 120 units, and demonstrate a need for at least \$5 million of MBP financing. The Department will, in its sole discretion, determine whether an assemblage of sites is “proximate” based on whether they can be developed in a single construction period and would constitute a single site except for street or other public divisions. To calculate the Income Targeting score for the 9% LIHTC project, applicants should provide a separate CDA Form 202 that</p>	<p>Language modified.</p>	<p>Language modified to update definition to proximate sites and require income targeting to be based on both 9% and 4% projects.</p>

		includes the combined project information for the 9% LIHTC project and the MBP/4% LIHTC project...”		
4.4.5 Policy Incentives	<p>“...Two (2) points will be awarded to any project located within the boundaries of, and contributing to, a “Choice Neighborhood” identified by HUD.</p> <p>Two (2) points will be awarded to any 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.”</p>	<p>“...Two (2) points will be awarded to the top two (2) new construction, gut rehabilitation, or adaptive reuse projects in a community of opportunity in the Baltimore Region and the DC Metro Area. At least 75% of the total units must be net new units to qualify for points under this section. Note: for the purposes of this scoring criteria, the Baltimore Region and the DC Metro Area include Anne Arundel, Baltimore, Carroll, Harford, Howard, Montgomery, and Prince George’s Counties and the City of Baltimore.</p> <p>Two (2) points will be awarded to the top two (2) projects located in Allegany, Calvert, Caroline, Cecil, Charles, Dorchester, Frederick, Garrett, Kent, Queen Anne’s, Saint Mary’s, Somerset, Talbot, Washington, Wicomico, and Worcester Counties.”</p>	Language and scoring changed.	Point for Choice Neighborhoods and rehabilitation projects replaced with points for geographic diversity.
4.5.1 Direct Leveraging	<p>“...For projects that involve “twinning” of 9% LIHTC and MBP/4% LIHTC, as described in Section 4.4.1, the amount of leveraged funds 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 MBP/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 MBP/4% LIHTC project...”</p>	<p>“...For projects that involve “twinning” of 9% LIHTC and MBP/4% LIHTC, as described in Section 4.4.1, the amount of leveraged funds 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 MBP/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 MBP/4% LIHTC project and letters of</p>	Language added.	Language added to require submission of letters of intent for the 4% project.

		intent for the MBP/4% LIHTC project, as described in Section 3.6... ”																																
4.5.2 Operating Subsidies	<p>“...Points will be awarded points based on the value per affordable unit per year of the subsidy as follows:</p> <table border="1"> <thead> <tr> <th colspan="3">LONG-TERM (10 YEAR) ANNUAL OPERATING SUBSIDIES PER UNIT</th> </tr> <tr> <th>Points</th> <th>Entitlement Jurisdiction</th> <th>Non-Entitlement Jurisdiction</th> </tr> </thead> <tbody> <tr> <td>10</td> <td>Subsidy ≥ \$400</td> <td>Subsidy ≥ \$200</td> </tr> <tr> <td>9</td> <td>= \$350 to \$399</td> <td>= \$175 to \$199</td> </tr> <tr> <td>8</td> <td>= \$300 to \$349</td> <td>= \$150 to \$174</td> </tr> <tr> <td>7</td> <td>= \$250 to \$299</td> <td>= \$125 to \$149</td> </tr> <tr> <td>5</td> <td>= \$200 to \$249</td> <td>= \$100 to \$124</td> </tr> <tr> <td>3</td> <td>= \$150 to \$199</td> <td>= \$75 to \$99</td> </tr> <tr> <td>1</td> <td>= \$100 to \$149</td> <td>= \$50 to \$74</td> </tr> <tr> <td>0</td> <td>< \$100</td> <td>< \$50</td> </tr> </tbody> </table> <p>“</p>	LONG-TERM (10 YEAR) ANNUAL OPERATING SUBSIDIES PER UNIT			Points	Entitlement Jurisdiction	Non-Entitlement Jurisdiction	10	Subsidy ≥ \$400	Subsidy ≥ \$200	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	< \$100	< \$50	<p>“...Projects in Entitlement Jurisdictions will be scored as follows:</p> $\frac{\text{Average subsidy per affordable unit per year}}{\$400} \times 10 \text{ points}$ <p>The final score will be rounded to the nearest one-hundredth (1/100) of a point.</p> <p>Projects in Non-Entitlement Jurisdictions will be scored as follows:</p> $\frac{\text{Average subsidy per affordable unit per year}}{\$200} \times 10 \text{ points}$ <p>The final score will be rounded to the nearest one-hundredth (1/100) of a point.”</p>	Language and points changed.	Point calculation changed from a sliding scale to equation calculation.
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4.5.3 Construction or Rehabilitatio n Cost Incentives	“...For the purpose of determining the per square foot cost, DHCD includes all on-site and off-site development and the total construction contract less any construction contingencies. This total is then divided by the gross square footage of all buildings being built or renovated. Buildings with parking structures or internal parking will be evaluated on a case-by-case basis. Applications should include area and square foot cost for parking related construction separate from occupiable building on CDA Form 212...”	“...For the purpose of determining the per square foot cost, DHCD includes all on-site and off-site development and the total construction contract less any construction contingencies. This total is then divided by the gross square footage of all buildings being built or renovated. Buildings with structured parking may submit a waiver request which will be evaluated on a case-by-case basis. Applications should include area and square foot cost for parking related construction separate from residential building on CDA Form 212...The amount of point deduction will be calculated by dividing the amount of	Language changed	Language added to provide clarification for structured parking and provide point deduction calculation.																														

		the exceedance by the applicable cost limit and multiplying the result by eight (8) points for large projects and six (6) points for small projects...”		
4.6.1 Green Features		Net Zero and Passive House removed from chart. All points reduced by 4.	Language and points changed.	Energy efficiency ratings removed from Green certification list and points shifted to put more weight on energy efficiency.
4.6.2 Energy Efficiency	<ul style="list-style-type: none"> “...Four (4) points will be awarded to rehabilitation projects if the project sponsor commits to incorporate into the scope of work all energy conservation measures (ECM) that result in an overall energy savings of 30% or greater over pre-retrofit levels as verified by a qualified energy auditor, or all of the ECMs having a Savings to Investment Ratio (SIR) greater than 1.0 as determined by a comprehensive energy audit. Two (2) points will be awarded to a rehabilitation project that 	“...Up to ten (10 points will be awarded in this category for projects that are designed to achieve certain energy efficiency standards. The Home Energy Rating System (HERS) scoring checklist and scorecard based on the project schematics must be completed by the project architect or a qualified third party and submitted as part of the application. A certificate containing the final HERS	Language and points changed.	Language added to allow for points based on HERS score, clarification added for gut

does not receive the four (4) points above if the project sponsor commits to incorporate into the scope of work all ECMs that result in an overall energy savings of 20% or greater over pre-retrofit levels, or all of the ECMs having an SIR greater than 1.5 as determined by a comprehensive energy audit...”

score must be provided prior to final closing.

HERS Score	Points
90 – 100	2
80 – 89	4
70 – 79	6
66 – 69	8
0 - 65	10

A weighted average rounded to the nearest one-hundredth (1/100) of a point should be used for projects utilizing new construction and rehabilitation with differing HERS scores.

Example:

Alternatively, an applicant can receive up to ten (10) points in this category based on the following:

- Six (6) points will be awarded to rehabilitation projects if the project sponsor commits to incorporate into the scope of work all energy conservation measures (ECM) that result in an overall energy savings of 30% or greater over pre-retrofit levels as verified by a qualified energy auditor, or all of the ECMs having a Savings to Investment Ratio (SIR) greater than 1.0 as determined by a comprehensive energy audit.

rehabilitation and new construction/rehabilitation , and points increased by 2 in each category to put greater weight on energy efficiency.

		<p>Gut rehabilitation projects, as defined in Section 3.13.3, are not eligible for these points. For projects utilizing new construction and rehabilitation, at least 50% of the units must be rehabilitation to qualify for points under this section.</p> <ul style="list-style-type: none"> • Four (4) points will be awarded to a rehabilitation project that does not receive the six (6) points above if the project sponsor commits to incorporate into the scope of work all ECMs that result in an overall energy savings of 20% or greater over pre-retrofit levels, or all of the ECMs having an SIR greater than 1.5 as determined by a comprehensive energy audit. Gut rehabilitation projects, as defined in Section 3.13.3, are not eligible for these points. For projects utilizing new construction and rehabilitation, at least 50% of the units must be rehabilitation to qualify for points under this section...” 		
4.7 State Bonus Points	“...No more than ten (10) State Bonus Points may be awarded to any project, except for projects that propose intergenerational housing or housing for the elderly, which may be awarded up to fifteen (15) State Bonus Points...”	“...No more than ten (10) State Bonus Points may be awarded to any project, except for projects that propose intergenerational housing, housing for the elderly, or permanent supportive housing, which may be awarded up to fifteen (15) State Bonus Points...”	Language added.	Language added to allow permanent supportive housing projects up to 15 bonus points.

Loan Processing Procedures

<p>6.1.7 Initial Closing; Eligible Costs; and First Draw Requisition</p>	<p>'Along with the commitment letter, sponsors receive a loan closing checklist. Initial closing will occur once all closing conditions set forth in the commitment letter and closing checklist have been satisfied. DHCD's standard loan conditions are detailed in the commitment letter. Sponsors should also review and understand DHCD's draw and requisition requirements, particularly those affecting the initial draw. Staff is available to meet and review the draw procedures. Copies of the draw procedures also are available on DHCD's website at: http://dhcd.maryland.gov/HousingDevelopment/Pages/MFLibrary.aspx Initial draw requests must be submitted to DHCD at least fifteen (15) business days prior to initial closing. Accepting DHCD's form closing documents without modification expedites the closing process.'</p>	<p>"Along with the commitment letter, sponsors receive a loan closing checklist. Initial closing will occur once all closing conditions set forth in the commitment letter and closing checklist have been satisfied. DHCD's standard loan conditions are detailed in the commitment letter. Sponsors should also review and understand DHCD's eligible cost, draw, and requisition requirements, particularly those affecting the initial draw. Staff is available to meet and review the eligible costs and draw and requisition procedures. Copies of the Guide to Draw Procedures, the Guide to Project Development Costs, and the Cost Certification Guide also are available on DHCD's website at: http://dhcd.maryland.gov/HousingDevelopment/Pages/MFLibrary.aspx Initial draw requests must be submitted to DHCD at least fifteen (15) business days prior to initial closing. Accepting DHCD's form closing documents without modification expedites the closing process."</p>	<p>Language added.</p>	<p>Language added to refer to guides in Multifamily Library on DHCD's website.</p>
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