# The Department's Proposed Changes to the Multifamily Rental Financing Program Guide 11/30/2018

**Application Process**

| Existing Section | Existing Language | Proposed Language | Action | Rationale |
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| 2.4.1 Application Form | Includes language establishing application format. | "Any changes to the application submission requirements will be announced at the pre-round information session and posted to DHCD's website at least thirty (30) calendar days before the application deadline." | Language changed. | DHCD is exploring the possibility of electronic submissions for all or a portion of information needed to evaluate proposed projects. |
| 2.6 Coordination with Other State Resources | "DHCD will coordinate the allocation of LIHTC, RHFP funds, and RHW with the decision to allocate other State resources under the control of DHCD" | "DHCD will coordinate the allocation of LIHTC, RHFP funds, and other State resources under the control of DHCD. DHCD will determine the appropriate mix of State resources for each project based on a variety of factors, including resource availability and policy priorities." | Language modified. | Clarified language. |

**Threshold**

| Existing Section | Existing Language | Proposed Language | Action | Rationale |
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| 3.4 Tenant Services | "…All projects must, at a minimum, provide passive links to appropriate community services for tenants." | "…Projects must develop and/or use an up-to-date community scan (within the last five years) that includes a review and assessment of existing local amenities, services, community assets, potential partners, and resources.<br>Alternatively, an applicant will meet this threshold requirement by agreeing to provide tenant services | Language changed. | Added language to allow for CORES or comparable certification to meet threshold requirements. |

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| | | throughout the compliance period or loan term, as applicable, through a sponsor organization or contract service provider that has achieved designation as a Certified Organization for Resident Engagement and Services ("CORES") or a comparable DHCD-approved certification. Information regarding CORES can be accessed at https://coresonline.org/." | | |
| 3.5.2 Family Housing Developments – Units for Persons with Disabilities | "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 Baltimore City, non-elderly disabled units provided under the Bailey Consent Decree will satisfy this requirement.<br>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… 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-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:<br>http://dhcd.maryland.gov/HousingDevelopment/Pages/section811/Section811.aspx<br>Additional information about Section 811 can be found at:<br>http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/grants/section811ptl" | "For family housing projects, UFAS units under Section 3.5.1 must be reserved for PWD households for a period of not less than sixty (60) calendar days both at initial lease-up and upon turnover… In addition, all family projects, regardless of the source of funds, must agree to accept, if offered by DHCD, any capital or rental subsidy funds for their non-elderly PWD units and to comply with program requirements." | Language changed. | Language added to ensure that Section 504 units are made available to PWDs in need of modifications. |

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| 3.9.8.3 Professional Fees | "…Sponsors may request up to an additional five (5) percent above the calculated Developer's Fee (i.e. up to 20% of Development Costs and up to 15% of Acquisition Costs) if 80% of the entire additional fee is escrowed with DHCD or another lender to fund a rent subsidy for Targeted Population units (See Section 4.4.2) set aside for persons at or below 20% of area median income for the initial fifteen (15) year LIHTC compliance period. The remaining 20% of the additional fee will be made available to the project sponsor as an incentive for providing units to Targeted Populations. Funds deposited in the rent subsidy will be used to fund the difference between the 20% AMI rent and 60% AMI rent. DHCD will work with sponsors to determine the exact mechanism necessary and appropriate to ensure funding on the subsidy. Additionally, during the initial fifteen (15) year LIHTC compliance period, DHCD will review, approve and monitor use of the rental subsidy. Provisions for the rent subsidy will be incorporated into DHCD's loan documents, as appropriate. The additional five (5) percent above the calculated Developer's Fee will not be subject to the $2.5 million limit stated above…" | "…Sponsors may request up to an additional five (5) percent above the calculated Developer's Fee (i.e. up to 20% of Development Costs and up to 15% of Acquisition Costs) if the additional fee is escrowed with DHCD or another lender to: (a) fund a supportive service reserve or (b) fund a rent subsidy for Targeted Population units (See Section 4.4.2) set aside for persons at or below 20% of Area Median Income (AMI) for the initial fifteen (15) year LIHTC compliance period. The additional five (5) percent above the calculated Developer's Fee will not be subject to the $2.5 million limit stated above.<br>If funds are deposited for a rent subsidy, the funds will be used to fund the difference between the 20% AMI rent and 60% AMI rent. DHCD will work with sponsors to determine the exact mechanism necessary and appropriate to ensure funding on the subsidy. Additionally, during the initial fifteen (15) year LIHTC compliance period, DHCD will review, approve and monitor use of the rental subsidy. Provisions for the rent subsidy will be incorporated into DHCD's loan documents, as appropriate…" | Language changed. | Language added to allow additional Developer's Fee to be used to fund a supportive service reserve. |
| 3.12 Market Study | "…Information and statistics pertaining to school performance, including Maryland School Assessment (MSA) test results compared to the State's average; graduation rates compared to the State's average; and an analysis of how this information might affect the market performance of the project…" | "…Information and statistics pertaining to school performance, including State standardized testing results compared to the State's average; graduation rates compared to the State's average; and an analysis of how this information might affect the market performance of the project…" | Language modified. | MSA is no longer in use. |
| 3.13.2 Base Level Green Standards for All Projects | "…Air Quality – The project shall make primary use of all of the following Interior Air Quality criteria: Green Label carpeting and low toxic, low volatile organic compound (VOC) paint, primer, sealers, and adhesives. The architect must reference a national standard such as Green Seal, | "…Air Quality – The project shall make primary use of all of the following Interior Air Quality criteria: low volatile organic compound (VOC) paint, primer, sealers, and adhesives. The architect must reference a national standard such as Green Seal, South Coast Air Quality | Language modified | Items moved from scoring to threshold. |

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| | South Coast Air Quality Management District, Bay Area Air Quality Management District, or equivalent standard. In addition, unsealed engineered or composite wood products free of added urea formaldehyde must be used. (See American National Standards Institute (ANSI) A208.) The architect must verify compliance with use of green products during the submittal review and construction verification process…<br>Smoking Areas – Designate permitted smoking areas. Locate outside smoking areas at least twenty-five (25) ft. away from entry air intakes and residents' windows. No smoking in building interior common areas…" | Management District, Bay Area Air Quality Management District, or equivalent standard. In addition, unsealed engineered or composite wood products free of added urea formaldehyde must be used. (See American National Standards Institute (ANSI) A208.) The architect must verify compliance with use of green products during the submittal review and construction verification process.<br>Carpets – Any carpet products must meet the Carpet and Rug Institute's Green Label or Green Label Plus Certification for carpet, pad, and carpet adhesives…<br>Smoking Areas – Designate permitted smoking areas. Locate outside smoking areas at least twenty-five (25) ft. away from entry air intakes and residents' windows. Project has a non-smoking policy applicable to all interior space, including units and common areas…" | | |
| 3.13.3 Additional Criteria Applicable Only to New Construction and Gut Rehabilitation | "…The project must be certified under the current version of Energy Star New Homes or Energy Star Multifamily High Rise rating systems.<br><br>The project must provide resident comfort and efficiency through installation of Energy Star central or split HVAC systems for community area(s) and units. Proposed equipment of a type or class not currently available as Energy Star-certified shall equal or exceed the efficiency of Energy Star-certified systems. Packaged, thru the wall HVAC units, if proposed, must have duct work serving all major rooms, and the overall system design must include an adequate air return path.<br><br>All appliances must be Energy Star qualified, including vented kitchen and bathroom exhaust fans. Clothes dryers and recirculating kitchen fans are excluded…" | "…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.<br><br>The project must meet visitability standards for at least 25% of its units and incorporate universal design features in its units and common areas.<br><br>The project must provide resident comfort and efficiency through installation of Energy Star central or split HVAC systems for community area(s) and units. Proposed equipment of a type or class not currently available as Energy Star-certified shall equal or exceed the efficiency of Energy Star-certified systems. Packaged, thru the wall HVAC units, if proposed, must have duct work serving all major rooms, and the overall system design must include an adequate air return path. All supply ducting for split | Language modified. | Criteria updated, some items moved from scoring to threshold. |

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| | | HVAC systems must be insulated.<br><br>All appliances must be Energy Star qualified, including vented kitchen and bathroom exhaust fans. Clothes dryers and combination microwave/range hoods are excluded.<br><br>An energy star qualified dehumidifier must be installed in each tenant unit. The dehumidification unit must be a stand-alone unit, supplemental to the unit's heating and cooling system… | | |
| 3.14.1 Base Level Energy Standards for Rehabilitation Only | "…Air sealing detail should follow best practices as fund in the Building Technologies Program Air Leakage Guide…" | Language removed. | Language changed. | |

**Scoring**

| Existing Section | Existing Language | Proposed Language | Action | Rationale |
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| 4.2.3 Defined Planning Areas and Opportunity Zones | **"**Projects that did not receive points in Sections 4.2.1 or 4.2.2 may receive up to a maximum of twelve (12) points in this section as detailed below.<br>• **Category 1:** Eight (8) points for projects in a rural area. For purposes of this section, a rural area includes any area eligible under the U.S. Department of Agriculture's Rural Development programs or any area in Allegany, Caroline, Dorchester, Garrett, Kent, Somerset, Washington, Wicomico, or Worcester Counties that are not otherwise Community Development Block Grant (CDBG) entitlement communities or HOME Participating Jurisdictions.<br>• **Category 2:** Six (6) points for projects located in any of the following: Certified Heritage Areas within | Projects that did not receive points in Sections 4.2.1 or 4.2.2 may receive up to a maximum of sixteen (16) points in this section as detailed below.<br>• **Category 1:** Twelve (12) points for projects in a rural area or projects located in any of the following: Certified Heritage Areas within county designated growth areas; Sustainable Communities; Empowerment Zones; Federal or Maryland Enterprise Zones; Main Street/Maple Street Maryland communities; or rural villages designated in county comprehensive plans as of July 1, 1998 and where there is evidence of other recent public investment in the plan area.<br>  ○ The Sustainable Communities Program is a | Language and scoring changed. | Added incentives for Opportunity Zones. |

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| | county designated growth areas; Sustainable Communities; Empowerment Zones; Federal or Maryland Enterprise Zones; Main Street/Maple Street Maryland communities; or rural villages designated in county comprehensive plans as of July 1, 1998 and where there is evidence of other recent public investment in the plan area.<br>○ The Sustainable Communities Program is a place-based designation offering a comprehensive package of resources that support holistic strategies for community development, revitalization, and sustainability. The following link provides a list of approved Sustainable Communities: http://dhcd.maryland.gov/Communities/Pages/dn/default.aspx<br>**Category 3:** Four (4) points for Elderly Housing projects in Communities of Opportunity." | place-based designation offering a comprehensive package of resources that support holistic strategies for community development, revitalization, and sustainability. The following link provides a list of approved Sustainable Communities: http://dhcd.maryland.gov/Communities/Pages/dn/default.aspx<br>○ For purposes of this section, a rural area includes any area eligible under the U.S. Department of Agriculture's Rural Development programs or any area in Allegany, Caroline, Dorchester, Garrett, Kent, Somerset, Washington, Wicomico, or Worcester Counties that are not otherwise Community Development Block Grant (CDBG) entitlement communities or HOME Participating Jurisdictions.<br>**Category 2:** Four (4) points for A project located in a designated Opportunity Zone and also located in an area outlined in Category 1 above. | | |
| 4.4.1 Income Targeting | "All applicants must commit to rent: 1) at least 20% of the housing units in the project to households with incomes at or below 50% of the area median gross income (the 20@50 Set-Aside); 2) at least 40% of the housing units in the project to households with incomes at or below 60% of the area median gross income (the 40@60 Set-Aside); <u>or</u> 3) at least 40% of the housing units in the project to households with incomes at or below 80% of the area median gross income so long as the average gross income for the restricted units in the project does not exceed 60% of the area median gross income (the Income Averaging Set-Aside)… A project will receive four (4) | "In accordance with changes to §42 of the Internal Revenue Code by the federal Consolidated Appropriations Act of 2018, and effective in the State of Maryland as of August 1, 2018, all LIHTC applicants must commit to select one of the following three (3) set-aside elections (the Set-Aside Election): 1) at least 20% of the housing units in the project for households with incomes at or below 50% of the area median gross income (the 20@50 Set-Aside); 2) at least 40% of the housing units in the project to households with incomes at or below 60% of the area median gross income (the 40@60 Set-Aside); <u>or</u> 3) at least 40% of the housing units in the project to households with incomes at or below 80% of the area | Language and scoring changed. | Language added to address Income Averaging changes made to the Low Income Housing Tax Credit through the Consolidated Appropriations Act of 2018.<br><br>Added clarification on scoring of "twinning" projects. |

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| | points if at least 10% of the income-restricted units in the project will be income-restricted at 30% of the area median gross income or below for the compliance period (including the extended use period)…. Up to ten (10) points will be awarded to any project, regardless of location, based on the weighted average of area median gross income targeting by bedroom in a project. For purposes of this calculation, the lowest income level used will be 30% of area median gross income… One (1) additional point 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." | median gross income so long as the average gross income for the restricted units in the project does not exceed 60% of the area median gross income (the Income Averaging Set-Aside). Further guidance with regards to these requirements is outlined in Section A.3 of the Qualified Allocation Plan.<br>Note that the changes to the Internal Revenue Code made by the federal Consolidated Appropriations Act of 2018 and described above do not extend to the set-aside requirements associated with MBP financing which involves the issuance of tax-exempt bonds in accordance with §142 of the Internal Revenue Code. Projects that receive an allocation of 4% LIHTC in conjunction with MBP financing must meet the set-aside requirements of both §42 and §142 of the Internal Revenue Code. Additionally, any unit financed with RHFP or RHW funds must be rented to households at or below 80% of AMI…<br>A project will receive five (5) points if at least 10% of the income-restricted units in the project will be income-restricted at 30% of the area median gross income or below for the compliance period (including the extended use period)… Up to ten (10) points will be awarded to any project, regardless of location, based on the weighted average of area median gross income targeting by bedroom in a project. For purposes of this calculation, the lowest income level used will be 20% of area median gross income… 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 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 | | Removed bonus point for projects located in a Community of Opportunity within the Baltimore Region. |

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| | | 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."<br><br>All projects, regardless of type or location, will use the same point structure as demonstrated in the table. | | |
| 4.4.2 Targeted Populations | "DHCD strongly supports the creation of permanent housing opportunities integrated across the State for targeted populations, particularly those with disabilities who rely primarily on Supplemental Security Income (SSI) or Social Security Disability Income (SSDI). DHCD will award points for projects that set aside up to 25% of units in a project for targeted populations. To qualify as a targeted population set-aside unit, the housing unit must be:<br>• Permanent housing. Transitional housing or other facilities with limits on the term of occupancy do not qualify as permanent housing;<br>• Income and rent-restricted at no more than 50% of the area median income; and<br>• Set aside for a household that is headed by one of the following (projects may select only one targeted population):<br>○ PWDs;<br>○ Persons with special needs;<br>○ Persons experiencing homelessness;<br>○ Youth aging out of foster care;<br>○ Veterans; or<br>○ Persons transitioning from a correctional facility or other State facility or institution<br>To receive points in this category, targeted | "DHCD strongly supports the creation of permanent housing opportunities integrated across the State for targeted populations, particularly those with disabilities who rely primarily on Supplemental Security Income (SSI) or Social Security Disability Income (SSDI). DHCD will award points for projects that set aside up to 20% of the affordable units in a project for targeted populations. To qualify as a targeted population set-aside unit, the housing unit must be:<br>• Permanent housing. Transitional housing or other facilities with limits on the term of occupancy do not qualify as permanent housing;<br>• Income and rent-restricted at no more than 30% of the area median income; and<br>• Set aside for a household that is headed by one of the following (projects must identify the percentage of units for each targeted population):<br>○ PWDs;<br>○ Persons with special needs;<br>○ Persons experiencing homelessness;<br>○ Youth aging out of foster care;<br>○ Survivors of crimes, including domestic and/or intimate abuse, sexual assault, and sex trafficking; | Language and scoring changed. | By lowering percentage of set-asides in conjunction with the lowering of the required AMI, the targeted population units will better serve those populations. |

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| | populations in elderly projects must meet DHCD's age restrictions. The units from the 5% threshold requirement in Section 3.5.2 may be counted toward the total percentage for scoring in this section, if the threshold units are income and rent-restricted at or below 50% AMI (the threshold, at a minimum, only requires targeted at or below 60% AMI)… *Projects with more than 25% of the units for a targeted population will receive zero points in this category except that projects targeting persons experiencing homelessness and projects targeting at-risk veterans and their families under the Department of Veterans Affairs Enhanced Use Lease (EUL) Program may exceed the 25% target population limit and still qualify for 6 points.<br><br>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 property manager, and one or more local public or nonprofit service providers that regularly work with the targeted populations being served by the project. 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 of unit availability and accept tenant | ○ Veterans; or<br>○ Persons transitioning from a correctional facility or other State facility or institution.<br>To receive points in this category, targeted populations in elderly projects must meet DHCD's age restrictions. The units from the 5% threshold requirement in Section 3.5.2 may be counted toward the total percentage for scoring in this section, if the threshold units are income and rent-restricted at or below 30% AMI (the threshold, at a minimum, only requires targeted at or below 60% AMI.<br>DHCD will award up to 10 points in this category based on the percentage of set-aside units out of the 20% set-aside maximum. The points will be calculated based on the following formula:<br><br>$\frac{\text{\# of set-aside units}}{\text{20\% of the affordable units}} \times 10$ poin<br><br>Final score must be rounded to the nearest one-hundredth (1/100) of a point.<br><br>*Projects with more than 25% of the units for a targeted population will receive zero points in this category except that projects targeting persons experiencing homelessness through permanent supportive housing and projects targeting at-risk veterans and their families under the Department of Veterans Affairs Enhanced Use Lease (EUL) Program may exceed the 25% target population limit and still qualify for 6 points.<br><br>Applicants seeking points under this section for PWD | | |

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| | referrals from such a DHCD system.<br>Units that receive points under this category must be reserved exclusively for the targeted population. If a project is unable to fill a unit with the targeted population after a sixty (60) calendar day referral period, the unit may be leased to another household with income at 50% AMI or below. The next available 50% AMI unit in the Project shall be marketed to the Project's original targeted population until the project is in compliance with the percentage for which it received points. The sixty (60) calendar day 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 unit turn cleaning, repairs, or maintenance." | must agree to provide notice of unit availability to and accept tenant referrals from MDH and MDOD.<br>Applicants seeking points under this section for persons experiencing homelessness or survivors of crimes, including domestic and/or intimate abuse, sexual assault, and sex trafficking must agree to provide notice of unit availability to and accept tenant referrals from the State CoCs, as evidenced by a memorandum of understanding or other formal written agreement.<br>Applicants seeking points under this section for a target population other than PWD or persons experiencing homelessness 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 property manager, and one or more local public or nonprofit service providers that regularly work with the targeted populations being served by the project. 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 of unit availability and accept tenant referrals from such a DHCD system.<br>Units that receive points under this category must be reserved exclusively for the targeted population. If a project is unable to fill a unit with the targeted population after a sixty (60) calendar day referral period, the unit may be leased to another household with income at 30% AMI or below. The next available 30% AMI unit in the Project shall be marketed to the Project's original targeted population until the project is in | | |

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| | | compliance with the percentage for which it received points. The sixty (60) calendar day 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 unit turn cleaning, repairs, or maintenance." | | |
| 4.4.2.1 Project-based Rental Assistance for Targeted Populations | "An additional four (4) points shall be awarded to projects with project-based subsidies for **all of** the identified targeted population units so that the units serve extremely low-income households (at or below 30% AMI)…" | | Language deleted. | All targeted populations are now restricted at or below 30% AMI. |
| 4.4.2.2 Section 811 Project Rental Assistance | "…To support implementation of the Section 811 Program, projects with non-elderly PWD units that meet the Section 811 requirements (as explained below) will receive four (4) points if they agree to accept, if offered by DHCD, Section 811 project-based subsidies on their non-elderly PWDs units and to comply with the requirements of the Section 811 Program…" | | Language deleted. | All of the current Section 811 units have been allocated. |
| 4.4.4 Tenant Services | "While all projects must, at a minimum, provide tenants with passive links to community services as outlined in the Threshold Criteria, DHCD recognizes the value that more direct services bring to tenants' lives and will award additional points as follows.<br>Up to eight (8) points will be awarded to projects that augment the minimum Threshold Criteria by identifying one or more tenant service providers for services on-site or in the community. The provision of such services must be evidenced by a certification from the applicant detailing the services to be provided. A contract, memorandum of understanding, or other formal written agreement between the Developer, the property management company, and the service provider(s) may | "While all projects must provide or coordinate resident access to community services as outlined in the Threshold Criteria, DHCD recognizes the value that more robust resident services coordination and/or direct services bring to tenants' lives.<br>Up to eight (8) points will be awarded to projects that augment the minimum Threshold Criteria by identifying one or more tenant service providers for services on-site or in the community. The provision of such services must be evidenced by a certification from the applicant detailing the services to be provided. Points will be awarded as follows:<br>• Identification of partners, including written agreement(s). The documents (in the form of an | Language and scoring changed. | Language added for clarification.<br><br>Added language to allow for CORES or comparable certification to meet scoring requirements. |

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| | also be provided to evidence the tenant services. Failure to provide the tenant services as described in the certification will result in negative points on future applications as described in Section 4.1.2. Points will be awarded based on the described services, the applicability of the services to the tenant population, and the existence of a specific mechanism for resident feedback about tenant services at the project." | MOU or Contract) must detail where the services are located and address transportation needs for off-site services (3 points).<br>• Identification of tenant population and applicability of services offered. Services must benefit and be accessible to all tenants (1 point).<br>• Description of how tenant services will be funded (up to 2 points)<br>  ○ Full budget with sources (2 points)<br>  ○ Description of financing without identified sources (1 points)<br>  ○ No mention of financing (0 points)<br>• Identification of goals for impacting resident outcomes and how they will be measured (1 point)<br>• Description of feedback mechanism, conflict resolution between property management and resident services, and privacy protocols for storing tenant information (1 point)<br><br>Alternatively, an applicant will receive eight (8) points in this category by agreeing to provide tenant services throughout the compliance period or loan tern, as applicable, through a sponsor organization or contract service provider that has achieved designation as a Certified Organization for Resident Engagement and Services ("CORES") or a comparable DHCD-approved third-party certification. Information regarding CORES can be accessed at http://coresonline.org/.<br>Failure to provide the tenant services as described in the certification will result in negative points on future applications as described in Section 4.1.2." | | |

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| 4.4.5 Mixed Income Housing | "…DHCD will award four (4) points to projects that include both affordable and Market Rate Units where the Market Rate Units represent at least 10% of the overall project units…" | | Language deleted. | Language has been removed until DHCD does research to determine the most effective mix of affordable and market rate housing. |
| 4.4.6 Policy Incentives | "Four (4) points will be awarded to family projects in a Community of Opportunity in the Baltimore Region where at least 60% of the units are newly constructed multifamily rental housing with affordability restrictions for at least forty (40) years…Three (3) points will be awarded to any project located within the boundaries of, and contributing to, a "Choice Neighborhood" identified by HUD.<br>Two (2) points will be awarded to any project that is <u>not</u> located in a Community of Opportunity in the Baltimore Region that involves the acquisition and rehabilitation of an existing multifamily rental housing development…" | "Three (3) points will be awarded to projects that involve "twinning" of 9% LIHTC and MBP/4% LIHTC. "Twinning" 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 and is financed in part by tax-exempt bonds. These points will be available for no more than the three (3) highest scoring projects in the Round.<br>Two (2) points will be awarded to any project located within the boundaries of, and contributing to, a "Choice Neighborhood" identified by HUD.<br>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." | Language and scoring changed. | Language added and deleted to address current DHCD policy goals. |
| 4.5.1 Direct Leveraging | "…Finally, because projects in rural areas have higher fixed transaction costs due to their relatively smaller size and have less access to locally-controlled sources of leverage, DHCD will award leveraging points to rural projects as defined in Section 4.2.3 on a higher scale than for non-rural projects. Additionally, because family projects located in Communities of Opportunity are an important priority of DHCD, leveraging points will be awarded on a higher scale as well.<br>For purposes of this section, a rural area includes any area eligible under the U.S. Department of Agriculture's | "For projects that involve "twinning" of 9% LIHTC and MBP/4% LIHTC, 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 | Language and scoring changed. | Added clarification on scoring of "twinning" projects.<br><br>Scoring scale changed to expand range of leveraging that qualifies for points.<br><br>Removed bonus point for |

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| | Rural Development programs or any area in Allegany, Caroline, Dorchester, Garrett, Kent, Somerset, Washington, Wicomico, or Worcester Counties that are not otherwise CDBG entitlement communities or HOME Participating Jurisdictions.<br>Points will be awarded as follows…. One (1) additional point 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." | the 9% LIHTC project and the MBP/4% LIHTC project… Scoring will be calculated based on the overall percentage of leveraged funds, with projects with a higher level of leveraged funds receiving the greatest points. Because projects in rural areas have higher fixed transaction costs due to their relatively smaller size and have less access to locally-controlled sources of leverage, DHCD will award leveraging points to rural projects as defined in Section 4.2.3 in a different manner.<br>Projects which are not in a rural area will be scored as follows:<br>• The percentage of leveraged funds (from 0% to 100%) will be divided by .06667 to arrive at a score from zero (0) points to fifteen (15) points, and rounded to the nearest one-hundredth (1/100) of a point...<br>Projects in a rural area will be scored as follows:<br>• The percentage of leveraged funds (from 0% to 100%) will be divided by .06 to arrive at a score and rounded to the nearest one-hundredth (1/100) of a point..." | | projects located in a Community of Opportunity within the Baltimore Region. |
| 4.5.3 Construction or Rehabilitation Cost Incentives | The chart has been deleted. | The fee limits will be published to the DHCD website. | Language deleted. | Chart will be posted to the DHCD website. |
| 4.6.2 Energy Conservation and Sustainability | "…Two (2) points will be awarded for any project if "Water Sense" products are installed or retrofitted in all units and common facilities." | "…Two (2) points will be awarded for any project utilizing heat pump technology for domestic water heating." | Language changed. | Language updated. |
| 4.6.3 Project Durability and Enhancements | "Building exterior is at least 75% masonry or other highly durable materials such as cement fiber siding, stucco, stone, etc…<br>Project has a non-smoking policy applicable to all interior | "Building exterior is at least 75% masonry or other highly durable materials such as cement fiber siding, stucco, stone, etc. (worth 2 points)" | Language or point structure changed. | Language moved to threshold requirements |

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| | space, including units and common areas.<br>The project meets visitability standards for at least 25% of its units and incorporates universal design features in its units and common areas...<br>Floor coverings are quality long lasting products. Any carpet products must meet the Carpet and Rug Institute's Green Label or Green Label Plus certification for carpet, pad, and carpet adhesives. Hard finish flooring must be products with a verifiable ten (10) year or longer warranty" | | | |