

Maryland Affordable Housing Trust

Program Guidelines

Forty-Ninth Funding Round (SFY25)



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July, 2024

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[Maryland Affordable Housing Trust Website](#)

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HUD Income Limits available on the [Multifamily Housing Development Document Library](#)

MAHT program and application questions should be sent to
MAHT.DHCD@maryland.gov

Introduction and Program Description

Background

The Maryland General Assembly created the Maryland Affordable Housing Trust (MAHT) in 1992. The Trust is an instrumentality of the State, governed by a Board of Trustees appointed by the Governor, and staffed by the Maryland Department of Housing and Community Development. A portion of the interest generated by title company escrow accounts funds the activities of MAHT.

Availability of Funds

Funds are awarded as loans or grants based upon the financial structure needed to make the project viable. Although MAHT reserves the right to make its funding available as interest-bearing loans, funding for project-specific capacity building, operating expenses, and support services are generally made as grants. Funding for pre-development costs is generally repayable upon the closing of permanent financing for a project. Funding for capital costs is offered as deferred-payment loans or recoverable grants payable if the project is sold and/or ceases to be used for low-income occupancy.

MAHT allocates up to 15% of its funds for capacity building and pre-development costs, with the balance allocated for capital costs and operating and supportive services. **The maximum award amount is \$75,000.** The Board of Trustees determines whether funds are to be awarded as loans or grants based upon a financial analysis of the project.

Program Goals and Objectives

MAHT generally uses its funds to provide housing for households earning less than 50% of area or Statewide median income, whichever is higher, by:

- funding capital costs of rental and ownership housing;
- providing financial assistance for nonprofit-developer capacity building;
- funding supportive services for occupants of affordable housing; and
- funding operating expenses of housing developments.

Within the spectrum of eligible activities, preference is given to proposals which provide housing to households with incomes below 30% of area or Statewide median, whichever is higher, and to projects which provide the longest term of affordability. For ownership housing, projects which provide resale restrictions or assumable soft debt are viewed as providing long-term affordability.

MAHT intends to select a diverse group of projects which will generate a broad geographic distribution of needed affordable housing and related support services in urban and rural areas. MAHT projects are expected to be completed within one year.

The Board of Trustees encourages applicants to consider sustainable development and green building practices when applying for funding. Applicants are encouraged to demonstrate that their proposed projects will be developed using green building criteria from the following or other similar programs promoting sustainable development practices.

- [Green Communities Initiative from Enterprise Community Partners](#)
- [National Association of Homebuilders Model Green Home Building Guidelines](#)
- [U.S. Green Building Council and LEED](#)

Eligibility Criteria

Eligible Applicants

- Nonprofit organizations
- Public housing authorities
- Government agencies
- Profit-motivated entities

Eligible Uses

- Acquisition, construction, rehabilitation or preservation of affordable housing
Examples include:
 - usual and reasonable pre-development expenses;
 - purchase of existing property;
 - purchase of unimproved land;
 - fees for architects and other professionals;
 - demolition to make way for affordable housing;
 - building materials and labor costs; and
 - purchase of federally assisted housing to guarantee continuation of federal assistance.
- Costs incurred by nonprofit organizations to develop or implement an affordable housing project (funding must be related to the development of a specific housing project)
Examples include:
 - capacity building (such as organizational assistance, training, legal and accounting costs);
 - technical assistance (such as development consultants, etc.); and
 - project operating assistance following completion of construction or rehabilitation (such as utilities, support service staff, debt service, and rent subsidies).
- Social-Self Sufficiency Services to Tenants of Affordable Housing
Examples include:
 - job skills training;
 - job search assistance;
 - budget counseling;
 - substance abuse/addiction counseling;
 - mental health care;
 - child care; and
 - other supportive services (e.g., activities of daily living)
- Operating expenses for no more than three years in a ten-year period of an organization's existing and new housing development that promote affordable housing.
Examples include project-specific assistance for:
 - security deposit escrows;
 - operating costs (such as utilities, debt service, rent subsidies); and
 - home ownership counseling with funding for actual purchaser of a home.

Ineligible Uses

Examples include, but are not limited to:

- direct rental assistance to tenants;
- capacity building assistance that is not related to a specific housing development; or
- purchase of grantee personal property, such as office furniture or equipment.

Eligible Beneficiaries

A housing project's residents or purchasers generally have incomes of less than 50% of Statewide or area median, whichever is higher. (See definitions of "project" and "undertaking" on Pages 9-10). Preference is given to projects that serve households with incomes of less than 30% of median. MAHT uses median income figures as determined by HUD.

Preference is given to projects that provide both housing and self-sufficiency assistance for:

- families with minor children; and/or
- single adults in need of Single Room Occupancy permanent housing.

The Board of Trustees prefers that MAHT funds be used to leverage other funds or provide the final piece of a financing package.

If an application is made for a project which is only a portion of an undertaking, the minimum number of housing units occupied by low- or very-low income households must be at least proportionate to MAHT's funding share of the entire undertaking. (For example: \$100,000 award/\$1 million undertaking x 20 units in undertaking = 2 low- or very-low income units in the project.)

If the project is contained within a larger undertaking, the applicant must provide project residents equal access to all amenities and common areas within the larger undertaking. In addition, units in the project must have amenities that are comparable to those in the basic unit available in the rest of the undertaking.

Projects which meet the following criteria will be most competitive:

- target very low-income persons;
- quantify a housing need;
- demonstrate project readiness ("shovel ready") and feasibility;
- provide long-term affordability (for capital projects);
- leverage other funds and/or provide the final piece in a financing package;
- provide self-sufficiency services; and
- address "green" building technologies.

Any application received after 4:00 p.m. (EST) on the deadline date will not be considered for funding in this round. Awards will be announced on December 30, 2024.

Application Development and Submission Procedures

Applicants must answer all questions and complete each form according to instructions. Application must be signed. Applications sent without signature will not be accepted.

Attachments should be secured to the application in order and labeled with the letter of the attachment as instructed in the application. Please do not intersperse attachments throughout the application. Applicants are required to complete one application and upload the completed form along with the supporting items found on the application checklist. The application and program guidelines are located on the [Maryland Affordable Housing Trust website](#). Remember that the legal documents required for submission are now found in a separate file named “Round Legal Documents and Instructions” and should be attached to the application as Attachment I.

In assembling the application package, please be sure that the application package is arranged in the following order:

1. MAHT application
2. Supplemental information and attachments;

and all attachments are clearly labeled. Applications not submitted in the manner above will not be considered for funding.

Schedule

Guidelines and application available	July 11, 2024
Applications due	September 12, 2024
Announcement of awards	December 30, 2024

Applications must be received no later than 4:00 p.m. (EST) on Thursday, September 12, 2024.

No application fee is required. **Completed applications should be emailed to:** MAHT.DHCD@maryland.gov.

Threshold Requirements

Proposals for capital assistance and support-services must meet the following criteria for readiness and feasibility. These criteria do not apply to proposals for capacity building funding.

- evidence of the availability of other funding;
- evidence of zoning compliance;
- evidence of site control;
- compliance with local planning requirements; and
- preliminary plans and specifications.

Proposals also must include the following information:

- statement of total project/undertaking costs and verification of all committed and anticipated funding for the project/undertaking, including approval letters, letters of intent, feasibility letters, etc., where appropriate;
- description of the need for the type of housing project in the proposed geographic area;
- description of applicant’s expertise in developing and operating housing projects;

- statement of whether any temporary or permanent displacement will result from the proposed project and, if so, a proposed plan for relocation;
- applicant's financial statements for current year and last year;
- audited or non-audited financial statements for the prior year of project operations for existing and occupied projects, if owned by the applicant;
- organizational documents, such as partnership agreement or articles of incorporation and bylaws; and
- resolution from the organization's board of directors authorizing the application.

Proposals for pre-development assistance must include evidence of site control (example: contract of sale, purchase option, deed).

For acquisition, construction, rehabilitation or preservation of affordable housing projects, also include:

- Description of the project, including:
 - number and types of units;
 - map with site location(s);
 - evidence of zoning compliance;
 - evidence of site control (example: contract of sale, purchase option, deed);
 - anticipated project expenses and income;
 - proposed rents;
 - description of planned support services;
 - anticipated completion schedule, including dates for initial closing, construction start and substantial completion; and
 - scope of work.

For operating expenses or capacity-building projects, also include:

- list of site location(s), where known and/or appropriate and
- anticipated expenses and income relating to a specific housing development.

Applications which do not contain these elements will be returned with an explanation of the deficiencies and the corrections needed to complete the application. Applications revised and resubmitted before the application deadline will be considered.

Selection Criteria

Projects deemed to be ready and feasible will be evaluated using the following criteria:

1. **Type of Occupancy:** the project will provide housing for:
 - families with minor children (highest priority)
 - single adults in Single Room Occupancy units.
2. **Low-income Occupancy:** the project will serve the lowest-income families or individuals. Consideration will be given to income limits, affordability of rents or sales prices and number of income-restricted units. This must be clearly indicated on the application.
3. **Long-term Affordability (for capital projects):** the project will keep units affordable to low and very low-income households for the longest period of time.

4. **Linked Support Services:** the project will provide support services for occupants (such as job training, health care, budget counseling, parenting skills, substance abuse treatment, etc.) that promote self-sufficiency.
5. **Job Creation:** the project will provide employment opportunities to residents of the community.
6. **Leveraging:** the project will leverage other resources, including federal, local and private sector funds and the applicant's own funds. MAHT funds are needed only to fill a final gap.
7. **Need for Geographic Considerations:** the project fills the greatest need/demand for the type of housing in the geographic area and helps achieve an equitable geographic distribution of MAHT funds.
8. **Developer's Fee:** the amount and use of developer's fees will be relevant to the evaluation of the application.
9. **Applicant contribution:** In order to be considered for MAHT funding, an Applicant must provide from its own funds at least 10% of the total requested amount. The 10% can be a combination of cash and/or verifiable contributions to the project, including 1) property and/or 2) professional services, such as legal or architectural services. This requirement applies to both capital and non-capital requests for funding. Applicant contributions exceeding 10% of the total requested amount will be viewed favorably during the evaluation process. Applicants are required to show their 10% contribution clearly on the budget pages of the application. Applications will not be approved if the requested amount equals the total project costs.

Award Announcement

The final award selection will be made by the Board of Trustees and will not be subject to challenge or contest by the applicant. The Maryland Affordable Housing Trust will notify each awardee via a letter which will include the following:

- amount of the grant or loan;
- notification that a Certificate of Good Standing is now required;
- date that funds are expected to be available; and
- procedure by which the grant/loan agreement will be prepared.

Rejection letters will be sent to applicants whose requests for MAHT funding are declined.

The Maryland Affordable Housing Trust will not cover or reimburse any costs incurred before the Board of Trustees approves an award of funds. The agreement will specify how the funds will be disbursed and conditions that must be met.

Compliance and Monitoring

The Maryland Affordable Housing Trust may, at any time, inspect and monitor the records and work of the proposed project as to performance and compliance with program rules and requirements.

MAHT reserves the right to terminate the agreement in the event that an awardee: 1) loses its ability to proceed with the project, 2) makes material alterations or 3) fails to comply with the project schedule.

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Definitions

Affordable rental housing	Housing for which the gross rent (including utilities) does not exceed 50% of the greater of the area or Statewide median income, whichever is greater, adjusted for household size. Household size adjustments shall be based upon 1.5 persons per bedroom times the number of bedrooms in the unit.
Affordable ownership housing	Housing for which the sales price minus the sum of grants and deferred loans provided to the borrower results in a monthly payment which qualifies a low-income household for a mortgage loan under standard lender underwriting standards.
Low-income households	Households with incomes less than 50% of Statewide or area median, whichever is higher.
Minor children	Children under 18 years of age.
Non-profit organization	A corporation or foundation, no part of the net earnings of which inures to the benefit of any private shareholder or individual holding an interest in that entity.
Project (also see “undertaking”)	Acquisition, construction, rehabilitation or operation of buildings and improvements which will be sold to or rented and occupied entirely by households with incomes of less than 50% of Statewide or area median, whichever is higher. Projects may be a portion of an undertaking and may be composed of land and buildings which are not contiguous or located in a concentrated area, but which are under the same ownership and management.
Self-sufficiency assistance	Services that help residents become more productive and capable of independent living, such as job training, budget counseling, substance-abuse treatment, and child care.
SRO	Single Room Occupancy unit. A clearly definable, separate unit that is the primary residence of the occupant(s). If the food preparation and bathroom facilities are not located in the unit, they must be shared facilities and located in the structure.
Undertaking (also see “project”)	An entire housing development, which may be a scattered site development, being acquired, constructed or rehabilitated by a sponsor and being financed as a single development, but in which development only a portion of the units are financed by

MAHT. In this case, the projects being financed by MAHT shall have fewer housing units than the undertaking.

Very low-income households

Households with incomes less than 30% of Statewide or area median, whichever is higher.

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