



Multifamily Housing Notice 09-06

August 19, 2009

To: Developers, Sponsors and Local Housing Contacts
From: Patricia Rynn Sylvester, Director, Multifamily Housing
Re:

- ***Tax Credit Assistance Program (TCAP) – Competition Results***
- ***Section 1602 Tax Credit Monetization Program - Updates***
- ***October 2009 Competitive Funding Round***
- ***Smart, Green and Growing – coming Soon from DHCD***
- ***Staffing and Other Changes***

Tax Credit Assistance Program (TCAP)

By the July 8, 2009 TCAP competitive funding round deadline, the Department received twenty-six (26) applications requesting total TCAP funds of \$53 million. The Department has \$31.7 million in TCAP funds to award. Reservations of TCAP funds have been awarded to fifteen (15) projects requesting a total of \$33.5 million. These projects are new construction and rehabilitated properties, housing for seniors and families, and located in the metropolitan counties as well as Cecil, Garrett and Dorchester counties. The total project costs for these 15 projects are about \$217 million for over 1400 rental housing units. All of these projects are expected to close on their financing and begin construction by year end 2009 and are required to have a tax credit investor and be complete no later than February 16, 2012. Eleven (11) other projects that applied by July 8, 2009 have been placed on a waiting list and may be eligible for TCAP funds in the place of a project that received a TCAP reservation but, in the Department's discretion, is unable to move forward in accordance with the schedule in their TCAP application. Reserved projects have been asked to update their status and schedules by August 31, 2009.

[The Department's TCAP webpage](#)

[August 2009 TCAP Funding Reservations and Waiting List](#)

Section 1602 Tax Credit Monetization Program

At this time, the Department has been approved to receive about \$44 million in Section 1602 funds by monetizing 40% (about \$5.6 million) of the state's 2009 tax credit ceiling. The Department has reserved Section 1602 funds for 8 projects. Each of these projects has demonstrated an unsuccessful good faith effort to find tax credit equity sufficient to make their projects financially feasible. All of these projects are required to spend all of their Section 1602 funds by December 31, 2010. Four of the 8 projects have returned CY 2008 allocated credits and the Department will be applying to the U.S. Treasury to monetize these CY 2008 tax credits for Section 1602 funds shortly. The Department will be reviewing the status of projects with existing Tax Credit awards to assess how best to utilize its remaining Section 1602 funding.

[The Department's Section 1602 webpage.](#)

[Section 1602 Subawardees as of August 11, 2009](#)

October 2009 Competitive Funding Round

Applications for the October 2009 Competitive Funding Round are due by Tuesday, October 6, 2009 at 5:00 PM. Applications must be delivered to the mailroom on the ground floor of 100 Community Place, Crownsville Maryland 21032. The October 2009 Competitive Funding Round will be governed by the 2009 Qualified Allocation Plan and the 2009 Multifamily Rental Financing Guide both of which are dated October 24, 2008 and available on the DHCD website.

The Department expects that the October Round will award Rental Housing funds, primarily. CY 2009 Tax Credits and a significant portion of CY 2010 Tax Credits have already been reserved. The Department does

not anticipate awarding TCAP or Section 1602 funds through this round and applicants should not include requests for these funds in their applications. Applications also may NOT include a request for the 30% State basis boost under HERA. The Department will use a raise-up rate of \$0.68 for scoring the Leverage category but will not be setting a specified raise-up rate for all applications as it did for the December 2008 Round. Updates to the construction cost limits for scoring purposes, if appropriate, will be announced by September 6, 2009.

Applicants who submitted applications in the December 2008 Round may use the same application for the October 2009 Round. Such applications will receive the same score as obtained in December 2008 Round, providing no changes have been made that would affect scoring. For projects that wish to update their December 2008 applications to improve scoring or address other changes to the project, please provide updated information for all sections affected by the changes. Applicants who received a contingent Tax Credit reservation in the December 2008 round are reminded that their Tax Credit reservation expires if they are unsuccessful in obtaining a RHF reservation in the October 2009 Round or in preserving their Tax Credit Reservation.

For new applications, the most up-to-date Application Submission Package for Multifamily Rental Financing loan and low income housing tax credit programs is available on the Department website. This application package must be used for requests for financing through the following programs: Multifamily Bond Program (MBP), Rental Housing Fund (RHF), Federal Low Income Housing Tax Credits (9% and 4% Tax Credits), Maryland Housing Rehabilitation Program – Multifamily (MHRP-MF), and the Partnership Rental Housing Program (PRHP). Please note that the CDA Supplementary General Conditions document has been updated recently.

Smart, Green, and Growing:

DHCD will be opening its “Green Grants” – MD-BRAC Rental Housing Preservation Program shortly. Watch the website for information on how to apply for grants for energy audits or LEEDs training – one of the new initiatives funded by the John D. and Catherine T. MacArthur Foundation in partnership with DHCD and the Maryland Energy Administration (MEA).

DHCD and MEA are also close to finalizing a Memorandum of Understanding (MOU) for DHCD to administer a new “Multifamily Housing Energy Efficiency and Affordability Program” funded with Strategic Energy Program funds from the U.S. Department of Energy under ARRA. Watch the website for details.

Staffing and other Changes

Multifamily Housing Development has temporarily reorganized its team structure to ensure effective administration and management of the ARRA funding programs along with its MacArthur Foundation Initiatives and its normal course of business. Diane Clyde will be taking the lead in overseeing and managing the TCAP and Section 1602 projects scheduled to close by year-end. Elaine Cornick and Andrew Cohen will also focus on these loan closings, along with most of the existing underwriting and construction staff. John Maneval will be assuming lead responsibilities for ARRA reporting, construction finance, tax credit administration, and lending activities not related to TCAP or Section 1602. Please contact John Maneval or Stu Wechsler for pre-application meetings for new business. TCAP and Section 1602 project questions should first be directed to your assigned underwriter and then to Diane Clyde. Linda Webb will continue to be the primary point of contact for the Transitional and Partnership Programs. We are bringing on new staff as well. It’s a busy and exciting time. Of course, my door is always open and my phone and email available. Please feel free to share your thoughts and ideas as we navigate through new waters.

Please remember that we are announcing future round deadlines, significant application changes, bond program amendments, and other key dates and facts on our web site and by email only. Please make sure that we have your current email address. Please send any additions or corrections to taxcredits@mdhousing.org or rentalhousing@mdhousing.org as soon as possible.

Thank you for your interest and participation in the multifamily housing programs in Maryland.

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