

Multifamily Housing Notice 23-4

May 4, 2023

(Corrected May 9, 2023)

To: Developers, Sponsors, and Local Housing Contacts

From: Alvin Lawson, Director, Multifamily Operations

Re: *FY24 Update*

For FY2024, the Department has approximately \$135 million in state and federal resources to deploy for affordable housing production and will maintain the gap funding amount increase of up to \$3.5 million for 4% LIHTC/MBP projects.

In response to increasing construction costs and rising interest rates, the Department has received a variety of creative solutions to address these concerns. Therefore, we are offering the following flexibilities for projects in our multifamily pipeline:

Monetizing Excess Basis

Allow Twins to monetize excess basis on the 9% component by shifting units to a 4% component while preserving income targeting, unit mix, and set-asides that were committed to in the 9% application. Projects seeking to utilize this flexibility must submit a waiver request. Waivers requests will be reviewed on a case-by-case basis.

To qualify for a waiver:

- Project must maintain the same number of units and income targeting across the proposed projects;
- The total state resources requested on both projects should **NOT** exceed the amount of resources in the initial application(s); and
- 9% units moved to the 4% project must maintain the unit sizes, development quality, amenities, tenant services, and targeted populations as scored in the initial application.

Waiver requests must be submitted through the DHCD [Waiver request form](#). The request should be submitted under Section 5.1 Waivers – General.



MULTIFAMILY HOUSING UPDATES

2023 Rent & Income Limits

Projects may underwrite deals using additional leverage from HUDs 2023 rents and income limits. Projects should submit a letter updating the capture rates to reflect the rent and income limits.

2023 QAP & Guide

The Department has reviewed the feedback received during the Listening Sessions last year. We are expecting to release the first draft this spring/summer, with the goal of kicking off the 9% competitive round by the end of the year.

The 2023 Draft Communities of Opportunity designations were posted in [Notice 23-3](#). As reminder, comments due by May 24th to dhcd.qap@maryland.gov.

If you have any questions, please email at alvin.lawson@maryland.gov.

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IMPORTANT NOTICE REGARDING EMAILING OF MULTIFAMILY NOTICES

Multifamily Housing issues periodic notices (such as the one above) to announce new initiatives, provide important news, announce funding round deadlines, significant application changes, bond program amendments, and other key dates and facts on our website and by email only. You can subscribe to receive Multifamily Housing Notices at the following link:

<http://dhcd.maryland.gov/HousingDevelopment/Pages/About.aspx>

Notices are posted to the DHCD website at the following location:

<http://dhcd.maryland.gov/HousingDevelopment/Pages/MFLibrary.aspx>