

# Multifamily Programs Notice 06-2

## May 19, 2006

To: Developers, Sponsors and Local Housing Contacts

From: Patricia Rynn Sylvester, Director, Multifamily Housing, Community Development Administration

- *Proposed Changes to the Qualified Allocation Plan (QAP) and Multifamily Rental Financing*

Re: *Program Guide (Guide)*

- *2006-2007 QAP Public Meeting and Hearing Schedule*

*Changes to the QAP and Guide* – Attached below for your review and comment are the proposed drafts of the [Draft 2006/2007 Guide](#) (PDF) and the [Draft 2006/2007 QAP](#) (PDF). Our goal is to have the Guide and QAP finalized by August 2006. The changes are based on experience gained during the previous competitive funding cycles conducted under the current QAP and Guide, the planned rollout of a new tax exempt bond financing product and statutory changes to CDA programs passed during the last session of the General Assembly.

The most significant changes or modifications proposed for 2006 and 2007 include:

1. Streamlined processing for Rental Housing Fund (RHF) applications (see Section 2.4.4);
2. Clarified limitations on eligible basis for purposes of determining tax credit allocations (see Section 2.5.2 of the Guide and page 8 of the QAP);
3. Clarified guidance for Multifamily Bond Program (MBP) application processing requirements and new MBP product rollouts (Bond Program: Processing Applications, following page 13);
4. Clarified threshold criteria as follows;
  - o How counties can make contributions on behalf of municipalities (see Section 3.3 in the Guide),

- Standards for letters of intent from prospective first mortgagees (see Section 3.7.1);
  - Applying the \$1 million cap on Tax Credit allocations only to allocations from the State's competitive credit ceiling (see Section 3.7.5); and
  - Limiting the use of loan or Tax Credit equity in acquisition transactions (see Section 3.8.1);
5. Treated Single Room Occupancy (SRO) and Efficiency units as 0.67 bedrooms for purposes of income targeting (see Section 4.2.2)
  6. Revised Housing for Individuals with Disabilities (see Section 4.2.4);
  7. Promoted "Green Building" by replacing the "Small Projects" competitive criterion with a "Sustainable Development" criterion (see Section 4.2.8);
  8. Revised Market Study requirements to better conform with the Best Practices recommendations from the National Association of Affordable Housing Market Analysts (Section 4.3.1);
  9. Changed various Development Quality criteria particularly in the areas of materials selection and energy efficiency (Section 4.4 and Exhibit C);
  10. Revised and expanded the point distribution for Leveraging and Long Term Subsidies to include negative points for excessive reliance on State resources (Sections 4.5.1 and 4.5.2);
  11. Increased the annual subsidy targets for "Long Term Operating Subsidies" and adding a point

schedule for subsidies less than the targets (Section 4.5.3); and

12. Clarified the Department's discretion in granting waivers for Guide criteria (see Section 5.0, Waivers).

Also attached are redlined current versions of the [Draft 2006/2007 Guide](#) (PDF) and [QAP](#) compared with the 2005 QAP and Guide.

*Public Meetings and Hearings*– The Department will conduct an additional public meeting prior the required formal public hearing for adoption to consider additional suggestions from the public. This meeting will be held on Friday, June 2, 2006 at 10:00 a.m. in the Main Conference Room of the Department of Housing and Community Development at 100 Community Place in Crownsville. Space is limited, so please confirm your attendance by email to [rentalhousing@mdhousing.org](mailto:rentalhousing@mdhousing.org) or by calling Multifamily Programs at 410.514.7446.

As required by federal law, there also will be an official public hearing prior to adoption of the final draft of the QAP on Tuesday, August 1, 2006 at 10:00 a.m., in the Main Conference Room of the Department of Housing and Community Development at 100 Community Place in Crownsville. After consideration of comments received prior to or at the hearing, we will finalize the QAP and Guide and forward the QAP to Governor Ehrlich for his signature. The final versions of the QAP and Guide will be posted to our website in August at the same time they are forwarded to the Governor.

Comments are welcomed and will be accepted at the public hearings or through August 1, 2006 by e-mail to:

[taxcredits@mdhousing.org](mailto:taxcredits@mdhousing.org)

If additional information is needed, please contact Patricia Rynn Sylvester, Director, Multifamily Housing at (410) 514-7481; John Maneval, Deputy Director, Multifamily Housing Development Programs at (410) 514-7451; or Tax Credit Administrator at (410) 514-7488.

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 e-mail only. Please make sure that we have your correct and current e-mail address. Please send any additions or corrections to [taxcredits@mdhousing.org](mailto:taxcredits@mdhousing.org) or [rentalhousing@mdhousing.org](mailto:rentalhousing@mdhousing.org) as soon as possible. As always, we thank you for your interest and participation in the multifamily housing programs in Maryland. We can be contacted at [rentalhousing@mdhousing.org](mailto:rentalhousing@mdhousing.org) or by telephone at (410) 514-7446.

**For More Information, Contact:**

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### **Related Links**

[Draft 2006/2007 Guide -- Blacklined 2005 Version](#) (PDF)

[Draft 2006/2007 QAP -- Blacklined 2005 Version](#) (PDF)

[Draft 2006/2007 Guide -- Redlined 2005 Version](#)

[Draft 2006/2007 QAP 6 -- Redlined 2005 Version](#)

Links labeled with "(PDF)" require Adobe Acrobat Reader to be viewed properly. Adobe Acrobat Reader is a free product. Click here to [download Adobe Reader](#) for free.