

Fall/Winter 2023 Competitive Funding Round FAQs

As of December 6, 2023

NEW

Question: When submitting a twinning deal, do the percentage of unit requirements under §4.6.4 Lovable Places (Ex. A fitness center with enough space and equipment for 10% of residents to use at a time) apply just to the 9% units or to the entire project?

Answer: Twinning projects seeking points under §4.6.4 Lovable Places should ensure that the required percentages reflect the total unit count of "all" Twinning units (9% and 4%) if the spaces are located in a "single building" Twinning transaction and/or if the spaces are located in a separate 4% building wherein the 9% residents (via a cross easement or other accommodation) **and** the 4% residents have access to the spaces. This ensures that the amenity spaces are available to all intended residents regardless of which project they reside.

As of November 15, 2023

Question: What resources are available?

Answer: Resource funding is dependent on the type of application submitted.

- **Infill and Redevelopment Pool:**
 - LIHTC - \$300,000*
 - RHFP - \$50,000 per unit up to \$1M
- **General Pool:**
 - LIHTC - \$30,000 per unit up to \$1.5M
 - RHFP - \$2.5M
- **Rural**:**
 - LIHTC - \$30,000 per unit up to \$1.5M
 - RHFP - \$2.5M + up to \$500,000 HOME Funds***

*Waivers of the Infill and Redevelopment Pool LIHTC limit will be considered up to \$500,000 through 11/22/23, although requests submitted after 11/15/23 must also submit a waiver of the waiver deadline request

**For the purposes of granting additional HOME funds, rural is defined as 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

***Rural units must meet HOME requirements to be eligible for the additional funds

Question: Is a waiver required for the inclusion of a fossil fuel back-up generator under item 7 of Section 3.13.2?

Answer: A waiver is not required for the inclusion of a fossil fuel back-up generator as long as a letter stating that onsite generators will only be used in no load tests/exercise and for emergency purposes when the electric grid power fails is included in your application.

Question: What size plans need to be submitted with the hard copy application?

Answer: Scale requirements for plans are detailed in Section E.1 of the Multifamily Application Submission Package under Schematic Documents (page 40).

Question: How do we address our lovable places designs in our narrative?

Answer: Lovable places designs should be included in your design narrative under Exhibit E.2 of the Application Submission Kit. In addition to detailing your design plans for the three options selected, you should also address how your designs and project layout promote walkability.

Question: How should capacity building roles under Category 4 of §4.1.4 NPs, PHAs, MBE/DBEs be documented in my application?

Answer: In order to qualify for the capacity building points under Category 4 of §4.1.4 NPs, PHAs, MBE/DBEs, the entity must be partnered with a more experienced entity through a joint venture or other defined arrangement. Entities seeking capacity building points should clearly identify how the entity will build capacity as part of the description of the entity's role under Exhibit G of Application Submission Package. If you are trying to stack capacity building points with points from another category in §4.1.4, you should explain how the capacity building role differs from a non-capacity building entity in the same position.

As of October 13, 2023

General

Question: Where can I send the application fee?

Answer: Application fees must be made payable to the Community Development Administration or CDA and remitted directly to the attention of:

Community Development Administration
Maryland Department of Housing and Community Development
Post Office Box 2524
Landover Hills, MD 20784

Question: Have the application documents been updated to reflect the new QAP?

Answer: The Application Submission Package and CDA Form 202 have been updated. All applications must utilize the Application Submission Package dated September 2023 and CDA Form 202 dated October 2023.



Question: Can electronic signatures be used, or are original signatures required?

Answer: LIHTC applications may be executed by electronic signature, which shall be considered an original signature for all purposes and shall have the same force and effect as an original signature. Without limitation, "electronic signature" shall include electronically scanned and transmitted versions (e.g., via pdf) of an original signature and any typed signature, including any electric symbol or process adopted by either party with the intent to sign the Commitment, including the use of DocuSign or other similar programs.

Question: How do you request a pre-application meeting?

Answer: Complete the [Pre-Application Meeting Request Form](#) to submit your pre-application meeting request. Once the request is submitted, DHCD will reach out to schedule the meeting.

Question: How does the electronic application submission work?

Answer: Complete the [Electronic Application Request Form](#) to request a Dropbox folder for each project. The folder is divided into subfolders to mirror the application submission kit. If you submit a "twinning" deal, there is also a separate folder for documents related to MBP/4% LIHTC projects. Once you receive the project folder, you should begin uploading your application documents into the correct subfolders. Access to the Dropbox folders will be revoked at 2 PM on Friday, December 15, 2023, so make sure everything is uploaded before the application deadline.

Question: Does the hard copy of the application need to be submitted by the deadline?

Answer: Yes, one (1) hardcopy of the completed application must be submitted by 2 PM on Friday, December 15, 2023. This includes one (1) paper copy delivered to DHCD at 7800 Harkins Road, Lanham, MD 20706, and one (1) electronic copy uploaded into the project's Dropbox folder. Incomplete applications will not be considered.

Question: When do I need to enter data on my project into the Multifamily Information System (MIS)?

Answer: Applicants should work to complete the entry of their projects in MIS by December 15, 2023. If there is an issue with the submission, DHCD may extend the submission through MIS up to two weeks through December 29, 2023.

Question: When are waivers due?

Answer: Waivers are due on November 15th, 2023. Waivers granted under previous rounds will need to be submitted again for consideration in the current round.

Threshold: §3.12.2 Capture Rate

Question: What income targeting should the market studies use when evaluating capture rates for Project-Based vouchers units?

Answer: The market analyst should test the capture rates based on each targeted income band for the PBV units, as designated in the CDA Form 202.



Threshold: §3.13.1 Criteria Applicable to All Projects

Question: What is a dual Level 2 electric vehicle (EV) charging station?

Answer: This type of charging station is a Level 2 hard-wired device that splits electricity between two cars, so while charging, each car gets half the power.

Threshold: §3.13.2 Additional Criteria Applicable Only to New Construction, Gut Rehabilitation, and Adaptive Re-Use

Question: What types of projects need to meet BEPS regulations?

Answer: All new construction, gut rehabilitation, and adaptive re-use projects are expected to meet BEPS.

Competitive Scoring: §4.1.4 NPs, PHAs, MBE/DBEs

Question: What types of service providers will qualify for receiving points as Secondary Development Team members under Category 4?

Answer: The “Secondary Development Team” includes the project’s civil engineer, attorney, accountant, and/or other specialized professional service providers. While DHCD does not pre-score development team members, we are happy to provide feedback during your pre-application meeting. Examples of specialized professional service providers that have received points in previous rounds include civil engineers, environmental consultants, green building consultants, legal consultants, MEP engineers, structural engineers, supportive services providers, and traffic consultants.

Competitive Scoring: §4.3: Transit Oriented Development (TOD)

Question: How can I stack points across categories for TODs?

Answer: Within Category 1, you may choose one option and can receive up to the maximum points for that respective option. You cannot get points for multiple options within Category 1. You may stack your Category 1 point with points from Category 2.

Competitive Scoring: §4.4.1 Income Targeting:

Question: How are PBV units counted for income targeting?

Answer: Under 4.4.1, Income Targeting, PBV units are considered 30% units for income targeting and compliance, regardless of the household's income, to ensure that all voucher-eligible households can be referred. The intent of this policy is to ensure applicants from the PHA waiting list aren't skipped in the event their income exceeds 30% of the AMI. Projects must continue to meet the minimum set aside tests.

Question: Does the project-based voucher language only apply to mobility programs referenced in the Guide?

Answer: No, DHCD considers project-based vouchers awarded through local PHAs as 30% AMI units for income targeting and compliance; assuming applicants have a project-based housing choice voucher contract with a term of at least fifteen (15) years, the units are restricted to 30% AMI in the application.



Question: How will project-based vouchers be recorded in the regulatory agreement?

Answer: DHCD will record the project-based voucher rent restrictions at the levels set in the application. Specifically, if the applicant's target project-based voucher units at 50% of the AMI, those units will be considered 50% units for scoring purposes. Additionally, the income targeting set in the application, the income targeting for scoring, will match the regulatory agreement, so applicants should consider this when designating the income targeting for PBV units.

Competitive Scoring: §4.4.4 Tenant Services:

Question: If I chose the CORES designation for a project funded in a previous Round, can I still choose the CORES designation for Tenant Services even if I haven't received the certification yet?

Answer: If you chose the CORES designation for a project funded in a previous Round, you would need to submit either proof of CORES certification, partnership with a CORES certified 3rd party, or a copy of the Pre-Screen Approval Email from CORES to demonstrate that you have initiated the application process and believe that you meet their threshold requirements. If your application was funded in a previous Round and you chose the CORES designation but did not achieve the designation or partner with a CORES certified 3rd party by closing, then you will need to provide proof of CORES certification or partnership with a CORES certified 3rd party with your 2023 application(s) in order to receive the CORES designation points in this category.

Competitive Scoring: §4.4.6 Policy Incentives:

Question: Can a project receive policy incentive points in more than one category?

Answer: Policy points will be awarded based on the final project scores, excluding any possible points in Section 4.4.6. As long as a project is among the top 2 or 3 highest-scoring projects, depending on the category, they are eligible to receive those points, up to a total of five (5) points. Therefore, it is possible to receive points in more than one category. All categories will be assessed based on the final project score, excluding points awarded in Section 4.4.6.

Question: What documentation needs to be provided for Choice Neighborhood projects to receive points in Section 4.4.6?

Answer: Documentation of a Choice Neighborhood designation may include an award notification from HUD, letters of intent to provide financial assistance, or other documentation as proof of the designation.

Competitive Scoring: §4.5.1 Direct Leveraging:

Question: What is the raise-up rate for Low Income Housing Tax Credits that the Department will use for scoring purposes in Section 4.5.1 Direct Leveraging?

Answer: The Department will use a raise-up rate of 91 cents.

Question: Do HTF and State HOME funds count as state funds for leveraging?

Answer: Yes, under Section 4.5.1, State resources include DHCD-administered rental housing resources, including HTF and State HOME funds. Project CORE and Strategic Demolition funds are the only DHCD funds specifically mentioned as leveraged funds in this section. The Department may designate new funds as leveraged funds for the purposes of scoring, as determined by the Secretary or designee.



Question: How do I calculate leveraging for a "twinning" project?

Answer: Projects submitting "twinning" applications should only calculate leveraging based on the 9% project. Projects that meet the definition of twinning under Section 3.9.9, with an overall total of at least 120 units and demonstrate a need for at least \$5 million in MBP financing, will receive two (2) additional points on their leveraging score.

Competitive Scoring: §4.5.2 Operating Subsidies:

Question: What are the Entitlement Jurisdictions for the purposes of Operating Subsidy scoring?

Answer: For the calculations in Section 4.5.2, the Entitlement Jurisdictions are Anne Arundel County, Baltimore City, Baltimore County, Harford County, Howard County, Montgomery County, and Prince George's County.

Competitive Scoring: §4.5.3 Construction Cost Limits:

Question: Has the Department updated the Construction Cost limits outlined in Section 4.5.3 of the Guide?

Answer: The construction cost limits were reviewed and included in Multifamily Notice 23-11, released on September 28, 2023. They are also on our website. The table below includes the current construction cost limits:

Maximum Construction Cost per Gross Square Foot (September 2023)

Type of Building	New Construction	Rehabilitation
Cottage, Single Family, Semi-detached Dwellings, and Townhomes	\$263	\$269
Garden Apartments	\$220	\$168
Non-elevator Stacked Units and Elevator Buildings with 4 stories or less	\$239	\$196
Elevator Buildings of 5 or more stories	\$263	\$204

Competitive Scoring: §4.6.4 Lovable Places

Question: Is there an option to do fewer than three of the lovable places options and get partial points?

Answer: No, there is not an option to get pro-rated points if you do one or two of the lovable place features. A project must include at least three of the five options to receive the points.



Question: Given the walkability component of lovable places, is this section only for projects in urban areas?

Answer: No, projects in any area can achieve the lovable places distinction. Projects in rural areas can promote walkability. While there is specific language for projects in urban or similar districts, any project can include walkability designs.

Question: How do I know if my design for lovable places will receive points?

Answer: If your lovable Places designs/narrative are submitted along with your pre-application meeting request form, the CDA team will review prior to the meeting and provide feedback during the meeting.

Twining:

Question: What qualifies as a “twining project”?

Answer: “Twining” projects are defined as one (1) 9% LIHTC project and one (1) MBP/4% LIHTC project on the same common plan of development or larger development located on the same, contiguous, or proximate sites. Other structures will not be accepted.

Question: If I have a "twining" project, do I need to submit full applications for the 4% and 9% projects?

Answer: The 9% LIHTC project needs to submit a full application. For the 4% LIHTC project, we require CDA Form 202, architectural schematics, and letters of intent. No other information is required for the 4% LIHTC, although a full application for the 4% LIHTC project will be required at a later date if the 9% LIHTC project receives an award. Remember, to be considered a "twining" project in the Fall/Winter 2023 Competitive Funding Round, projects must have a common development plan, include a minimum of 120 units, and demonstrate a need for at least \$5 million in MBP financing.

Question: If I have a "twining" project located in a 2023 Qualified Census Tract (QCT) that is not a 2024 QCT, how do I maintain my basis boost?

Answer: If your project is losing its QCT status in 2024, your complete 4% application must be received by December 31, 2023, and the project must close by December 31, 2025 to maintain the basis boost. DHCD must determine that your application is complete, so like a competitive application, DHCD will not accept any additional documentation after December 31, 2023. Twining projects that are losing their QCT designation in 2024 must request a pre-application meeting to discuss their project with the CDA Team.

Question: When does the MBP/4% LIHTC project application need to be submitted?

Answer: If the 9% LIHTC project receives an award, DHCD staff will coordinate with the sponsoring entity to establish a timetable for submission of a full application for the 4% LIHTC project.

Question: Do the 9% LIHTC and MBP/4% LIHTC projects need to be separate buildings?

Answer: No, the projects do not need to be separate buildings, but separate buildings are allowed. If the projects are both in one building, "checkerboarding" of units within the building will not be permitted. For example, in a horizontal split, you might have the 9% LIHTC units on the east side of the building and the MBP/4% LIHTC units on the west side with a firewall separating the two. You might have the 9% LIHTC units on the first three floors and the MBP/4% LIHTC on the 4-6th floors with separate elevators in a vertical split. Any common areas should have cross-use agreements, and the two projects should look and run the same.



Miscellaneous:

Question: Are Solar Systems, Security Systems, and Playground Soft or Hard costs?

Answer: Solar Systems, Security Systems, and Playgrounds are considered hard costs and must be included in the construction budget. Budgets that include these costs as soft costs will not be accepted.

Question: Should 2023 or 2024 QCTs designations be used?

Answer: Applicants may use either the 2023 or 2023 QCT designations.

Question: What year of Community of Opportunity (COO) Designations should be used?

Answer: 2023 COO Designations should be used, which are accessible on the [2023 map](#).

