

Baltimore City Department of Housing and Community Development

Affordable Housing Trust Fund

Notice of Funding Availability - New Construction/Preservation of Existing Rental Housing

Pre-Proposal Conference

Friday, January 29, 2021

1. Q: Do you have to have an LLC to get funding?

A: Section 2 of the NOFA describes eligible applicants as non-profit, for-profit organizations or joint venture. Applicants are not required to have established an LLC or separate ownership entity at the time of submission, however depending upon the financing and ownership structure, an LLC may be necessary as a condition of funding. Final determinations regarding an ownership structure would be determined as part of DHCD's underwriting.

2. Q: Does construction interest costs count as carrying costs? I have a 4% LIHTC deal and am looking at other sources of financing to help close the gap. We're getting a construction loan before we layer in bond financing. If construction interest costs are considered eligible, it will allow us to use the tax credit equity for some harder-to-finance items.

A: Yes, interest costs count as carrying costs.

3. Q. Is this the first NOFA for this source of funding?

A. This is the second round of funding for the New Construction/Preservation of Existing Rental NOFA.

4. Q: What were some of the projects that were supported in the first round?

A: Four projects were funded in the first round, with a total award amount of slightly over \$2 million to support multiple units around the city. A list of the round 1 NOFA awards can be found [here](#).

5. Q: There seems to be a high level of monitoring and reporting required of the owner, over the life of the project. Is this correct?

A: Yes. There are reporting and monitoring requirements that will help to ensure that projects being funded by Trust Funds are perpetually affordable and provide housing to residents at or below 50% of the AMI.

6. Q: I have a question about deliverables. Things that are to be submitted include the items mentioned on pages 12 through 19 of the document, correct?

A: See the application checklist on page 18 of the NOFA for a list of required items.

7. Q: We have a contract on a property that we would like to rehab to include residential units. The construction budget is projected to be \$3 million. Can AHTF funds be used as a deposit for a larger loan for the project?

A: Affordable Housing Trust Funds cannot be used as security for other financing sources.

8. Q: I would like to understand the eligibility for applicants: Who can apply? What do they need on their resume? Who are the ideal applicant/targets for this money?

A: This NOFA is intended to solicit applications from any organizations that can demonstrate the capacity and ability to develop perpetually affordable rental housing units that will be occupied by City residents with incomes at or below 50% Area Median Income (AMI).

9. Q: Is this the first time that electronic applications are being accepted? Does the application have to be submitted in Microsoft Word format?

A: Electronic applications were accepted for the first funding round. Applications may be submitted in pdf format or Microsoft Word. Both formats are acceptable.

10. Q: Do you have to be a Baltimore City resident to apply?

A: There are no residency requirements to apply for this funding.

11. Q: Is there a limit on how many projects this could be used for by a single developer? For example, we have a proposal before a neighborhood council now, but can we use it elsewhere?

A: Applicants may submit funding requests for multiple projects but will need to rank their projects in order of priority, which will be considered during the application review process.

12. Q: The application states that 10% of the total requested amount can be used for pre-development. If a project needs funding for architecture & engineering (i.e. pre-development) to advance design, why can't an applicant request 100% of the grant go to what is most needed?

A: The primary purpose of the NOFA for New Construction and Preservation of Affordable Rental Units is to support the construction of units to make them affordable to households earning 30 and 50 percent of the Area Median Income. DHCD reviews funding criteria for each of the NOFA's prior to posting and will take this comment into consideration as criteria for future NOFA's.