

HOME INVESTMENT PARTNERSHIPS PROGRAM
**The Baltimore City Department of Housing &
Community Development**

Notice of Funding Availability (NOFA)
January 31, 2020

Public Notice to Owners and Developers



— BALTIMORE CITY —
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**

Michael Braverman - Commissioner

Housing & Community Development
January 31, 2020
Notice of Funding Availability (NOFA)

INTRODUCTION

Baltimore City Department of Housing and Community Development (“DHCD”), is pleased to announce the Winter, 2020 NOFA funding round for housing and community development projects.

Available Funding

The following requests will be considered during this funding round:

- City HOME Investment Partnerships Program loan funds in an amount up to \$ 1,000,000.00 per project, some of which may not be available until the fall of 2021 in conjunction with the May 2020 applications to the State of Maryland for projects seeking 9% Low Income Housing Tax Credits;
- Project Based Housing Choice Voucher Subsidies in connection with:
 - o An application for State funds or Low-Income Housing Tax Credits, and
 - o Certain units with three (3) bedrooms in projects that: (1) are four or fewer stories; (2) are not age-restricted; (3) fully compliant with the Uniform Federal Accessibility Standards (“UFAS”); and (4) meet the Housing Authority of Baltimore City (“HABC’s” Long Term Affordability requirements as further defined below (“Bailey UFAS Units”);

PRE-PROPOSAL CONFERENCE

Applicants are strongly encouraged to attend a pre-proposal conference that will provide information on structuring proposals and other details related to DHCD project support. The pre-proposal meeting will be held on **Friday, February 14, 2020 from 1 to 3 p.m. in Room 346 at:**

The Benton Building
417 East Fayette Street
3rd Floor
Baltimore, Maryland 21202

DHCD staff will present an overview of the NOFA process and requirements for working with funding sources, highlight areas where errors are commonly made and answer questions.



APPLICATION DEADLINE AND REQUIREMENTS

The schedule for the 2019 NOFA is:

Post NOFA on web – February 3, 2020
Pre-proposal conference – February 14, 2020
Application submission deadline – March 16, 2020
Developer presentations – week of April 13, 2020
Applicants notified of decisions – week of April 27, 2020

NEW! - Posted 3/2/2020 - Due to the fact that the State of Maryland's Qualified Allocation Plan (the "QAP") for 9% Low Income Housing Tax Credits (the "LIHTC) is not yet finalized and until further notice, Baltimore City's Department of Housing and Community Development will be **suspending the established deadline** for the submission date for those seeking HOME funds in conjunction with the upcoming 9% Low Income Housing Tax Credit round. Additional updates will be posted on the Department's web site as they become available.



Deadline

All copies of complete applications must be delivered to the Office of Project Finance and Development ~~no later than 4:00 p.m. EST on March 16, 2020~~. No applications will be accepted after this time. Applications will be date stamped upon delivery. Incomplete applications will not be processed.

Disclaimers

DHCD, in its sole discretion, reserves the right to modify the above dates.

All documents submitted as part of this application are considered public records and will be made available to the public upon request with the exception of personal financial statements, private corporate financial statements, and other confidential commercial information. DHCD reserves the right to post summary information about all submissions, including those awarded financial or programmatic support.

SUBMISSION REQUIREMENTS

For the 2020 round, the application consists of the following parts:

1. For ALL Projects:
 - a. Form 202 of the Maryland Department of Housing and Community Development's low income housing tax credit application, which can be found at: <http://www.dhcd.state.md.us/Website/programs/rhf/application.aspx>
 - b. The following Exhibits to the State low income housing tax credit application:
 - i. Exhibit B: Project Information, Part 2: Other Project Financing
 - ii. Exhibit C: Site Information, Part 1: Site Map and Photographs, and Part 5: Site Control
 - iii. Exhibit E: Financial Statements of Owners, Guarantors and General Contractors
 - iv. Exhibit F: Construction Information, CDA form 212 and Building Evaluation Report only. Attach available renderings and elevations.
 - c. DHCD Supplemental Application (Attached)
 - d. The application requires a certification that all proposed projects will meet all applicable Federal, State of Maryland, and City of Baltimore program regulations and requirements, including but not limited to:



- City sustainability (available at: <http://www.baltimorecity.gov/Portals/0/Charter%20and%20Codes/Code/Art%20000%20-%20Bldg,%20Fire.pdf>) ,
 - City visitability (available at same location),
 - Federal Section 3 rules (Regulations available at 24 CFR 135),
 - Minority and Women Owned Business Participation. Article 5, Subtitle 28, of the Baltimore City Code in connection with minority and women owned business opportunities,
 - Local Hiring Requirements. Article 5 Subtitle 27 of the Baltimore City Code.
 - Community Employment Plan Projects seeking HOME funds must develop and include hiring plans that include the provision of jobs for Baltimore and community residents in excess of any federal, state, local, or Housing Authority requirements. This certification is part of the Supplemental Application.
- e. The applicant must have presented the proposed project at least once to the community or neighborhood association(s) in which the project is located within the last 9 months. Evidence of consultation must be included with the application and shall consist of a copy of the agenda that was distributed when the presentation was made and copies of correspondence and emails pertaining to the proposed project. If the project receives support from DHCD, applicants will be required to update the community.

Applicants must submit one (1) original and four (4) hard copies of the application and one (1) complete electronic copy in PDF format on a disk.

All applications for programmatic support or financial support from DHCD should be delivered to:

Department of Housing and Community Development
Project Finance and Development
417 East Fayette Street, 10th Floor
Baltimore, Maryland 21202
ATTN: James Majors, Assistant Commissioner

Applicants are encouraged to contact DHCD's Office of Project Finance at 410-396-5590 with questions regarding program requirements and the application process.

DHCD reserves the right to suspend, amend, or modify the provisions of this NOFA, to waive any or all of the requirements or limitations herein, to reject all proposals, to negotiate



modifications of proposals, or to award less than the full amount of the funding available, all in its sole discretion.



UNDERWRITING GUIDELINES

1. Applicants may request up to \$ \$1,000,000.00 per project in HOME Investment Partnerships Program funds. Funds may only be awarded to projects that demonstrate a gap in financing and a need for additional sources. Projects receiving funds must close on the financing and commence construction within 18 months of receiving the award of funds. **Applicants should understand it is possible that closing will occur, and funds may not be available until late 2020. Applications that require HOME funds prior to this date will be reviewed on a case-by-case basis and may not receive awards due to the unavailability of such funds.**
2. The project must meet the following requirements in order to receive Project Based Housing Choice Voucher Subsidies:
 - a. Bailey UFAS Units must:
 - Contain three (3) bedrooms.
 - Be in a building with four (4) or fewer stories.
 - Draw residents from HABC's Public Housing waiting list or the Reasonable Accommodation Transfer List.
 - Be leased to households that participate in the Housing Choice Voucher or Public Housing programs. No minimum income shall be required to participate in these housing programs.
 - Remain affordable as Bailey UFAS Units for a minimum of 40 years.
 - Provide any and all rights, privileges and benefits that are provided to HABC's public housing residents or applicants. These rights, privileges and benefits affect admission and leasing provisions. Please see Exhibit C for detailed and important information. The information in Exhibit C may be subject to change.
 - Be available upon initial occupancy to clients from HABC's Public Housing waiting list or the Reasonable Accommodation Transfer List who need the features of the UFAS Unit. The waiting list is prioritized under HABC rules and developers should not expect to be able to house existing clients, returning residents (in the event of displacement) or other residents.
 - Be in non-age-restricted buildings.
 - Use HABC's Long Term Affordable criteria in Exhibit C.
3. All projects requesting HOME funds will be required to meet all federal rules and regulations, which include Neighborhood and Site Selection standards. These are found at 24 CFR Part 92 Section 202 (A)(B). These standards are required under federal regulations and limit the areas in which HOME funds can be placed.
 - a. Projects requesting HOME funds that involve the creation of new rental housing and that are in census tracts with poverty rates above 20% or with minority concentration rates more than the City's average will need to demonstrate mitigating circumstances to meet these requirements. Applicants should consult



with Department staff prior to submitting any such applications. See Exhibit A for data on Poverty Rates by Census Tract.

- b. DHCD shall make the final determination that the site meets HOME requirements.
3. The HOME program requires DHCD to assess the market strength of the project. As a result, all successful applicants for HOME funds will be required to submit a market study as part of the underwriting process. The market study must indicate to DHCD's satisfaction in its sole discretion that:
- a. There is a convincing need for the proposed type, income mix, bedroom mix, and number of housing units in the project;
 - b. The developer will be able to lease-up any planned rental units within the time periods and at the rents projected in the project pro forma;
 - c. The proposed development will not adversely impact other affordable housing; and
 - d. If a project identifies a preference for a specific tenant population it must do so in compliance with all applicable Fair Housing laws and regulations and such a preference must be identified as a need in the Baltimore City Consolidated Plan.

All awards of funding and project support will be made at the sole discretion of DHCD. Decisions concerning City contributions may be based on the availability of resources.

THRESHOLD CRITERIA

1. Evidence of Site Control and Development Approvals

Applicants must be able to demonstrate at the time of application to the City that they have a reasonable expectation of obtaining site control by the submission date of the current State LIHTC deadline. The deadline for site control is the State application deadline. Evidence must be in the form of a copy of the deed to the property, a copy of the sales contract, an executed land disposition agreement or in the case of land being sold by Baltimore City, a letter of intent to purchase the property from DHCD. Other evidence may be accepted at the sole discretion of DHCD.

At the time of application to the City, applicants must also be able to show what development approvals are needed for the project (i.e. zoning, site plan review committee approval, BMZA, City Council legislation: Conditional Use, PUDs, Street and Alley Closings, etc.) and demonstrate that they have had a pre-development meeting with the Department of Planning and begun to gain the necessary approvals. Evidence of the predevelopment meeting must include the following: A copy of the Planning Department Pre-Development meeting request form, copy of the sign-in sheet and meeting minutes. The meeting must occur at least 2 weeks prior to submittal of this application. In addition, evidence can be, but is not limited to, a copy of a filed BMZA application, SPRC approval, or zoning



certification letter from the City of Baltimore Zoning Administrator (for by right projects only). In the case of required legislation or public hearings, applicants must be able to demonstrate a reasonable expected timeline for bill introduction and/or hearing schedule. Evidence submitted must exemplify and support the type of approvals needed for the project. Other evidence may be accepted at the sole discretion of DHCD.

2. Policy Objectives.

The Project must be located in the Perkins Somerset Old Town Choice Neighborhood **OR**

The Project must be located in a Community of Opportunity as defined by the 2020 Maryland State Qualified Allocation Plan ("QAP") **OR**

The Project must be located in a designated Opportunity Zone as defined by the 2020 QAP **OR**

The project must be located in any of the following: Sustainable Communities; Empowerment Zones; Federal or Maryland Enterprise Zones; Main Street/Maple Street Maryland communities **OR**

The Project must be located in a census tract that meets Neighborhood and Site Selection Standards (referenced above in Item 3 of Underwriting Guidelines) in one of the Following Impact Areas:

- Park Heights Impact Investment Area
- East Impact Investment Area – (Johnston Square, Broadway East, East Broadway Midway & Coldstream Homestead Montebello)
- Southwest Impact Investment Area
- West Impact Investment Area (Penn North, Druid Heights, Upton)

3. Community Consultation.

The community has been presented with plans for the project and has been consulted with at one or more community meetings regarding the project within the last nine months.

4. Financial Feasibility.

The Developer must demonstrate that the project is financially feasible in current market conditions. Please submit evidence of financing such as letters of intent or commitment letters for all sources, except for any required State funding.

5. Bailey UFAS Units

Projects that are not age-restricted to residents who are 62 years of age or older must set aside: UFAS Units broken out as follows: (1) 5% of the total units (rounding up to the nearest whole number) to meet the Federal minimum requirements of UFAS **AND** (2), an additional 5% of the



total units (rounding up to the nearest whole number) to meet Bailey UFAS requirements. Details of the Bailey UFAS Units are set forth below.

The UFAS unit set-aside does not apply to projects that are more than four (4) stories high or are age-restricted to residents who are 62 years of age or older.

Example: A proposed three story project that is not age restricted to residents who are 62 years of age or older consists of 70 units. . A total of 8 units will be required to be UFAS compliant. Five percent of the total 70 unit project, which is 4 units, must meet the minimum Federal requirements and another 5% must be reserved to meet the required additional Bailey UFAS Units (**again rounding up is required for EACH 5% calculation**).

Bailey UFAS Requirements.

Federal law requires that at least five percent (5%) of all units in the project must fully comply with the Uniform Federal Accessibility Standards (UFAS) requirements for persons with mobility impairments and at least two percent (2%) of all of the units must fully comply with the UFAS requirements for persons with hearing or vision impairments (§8.22 of Section 504 of the Rehabilitation Act of 1973). All projects must comply with construction requirements of both the Fair Housing Act and the Americans with Disabilities Act (ADA), as applicable.

For projects that are not age restricted to residents who are 62 years of age or older, an additional five percent (5%) of the total units are required to be Bailey UFAS Units as defined in the Available Funding Section above. These units must meet the requirements of and be managed as Long Term Affordable Units. The Admissions and Leasing Criteria for Long Term Affordable Units are attached as Exhibit C.

The Bailey UFAS requirement does not apply to projects that are age restricted to residents who are 62 years of age or older.

All UFAS Units should be integrated throughout the project and should not be concentrated in any particular building or area.

All units must be certified as compliant with UFAS requirements by an architect acceptable to the Department of Justice at the Developer's expense.

After approval of this application and any State funding, applicants must also apply for Project Based Housing Choice Voucher Rental Subsidy for the Bailey UFAS Units. That application is found on the HABC website in the Project Based Voucher section. It is the intention to provide Project Based Housing Choice Vouchers for applicants that seek them in conjunction with Bailey UFAS Units. Please note that rules regarding maximum rents for projects that benefit from both LIHTC and Project



Based Housing Choice Voucher Rental Subsidy have been recently modified.
Applicants should consult program professionals regarding allowable rent levels.

Housing and Community Development Project Support
SUPPLEMENTAL APPLICATION

□ **1. Project Information.**

Project Name:
Project Address:
Neighborhood:
Typology:
SMSA Census District:
City Council District:
State Legislative District:
US Congressional District:
Target Population: [If more than one target population identify number of units for each one]
Transit Oriented Development: Yes: _____ No: _____
Vacants to Value Initiative: Yes: _____ No: _____
Parking Spaces: _____
Estimated Number of Permanent Jobs: _____
Residential Square Footage: _____
Retail Square Footage: _____
Parking Square Footage: _____
Amount and Type of City Funds Previously Received for this Project: \$
Funds Requested Through This Application: \$
If City HOME funds are requested, can this project wait until late 2020 to close and draw funds: Yes: _____ No: _____
Use of City Funds:
<input type="checkbox"/> Acquisition: \$
<input type="checkbox"/> Relocation: \$
<input type="checkbox"/> Deconstruction : \$
<input type="checkbox"/> Demolition: \$
<input type="checkbox"/> Construction Subsidy: \$
<input type="checkbox"/> Other: \$



□ **2. Description of Development Plan.**

Project Description (attach additional sheets if necessary):

UFAS By Bedroom Size

	Minimum UFAS Requirement		Extra UFAS or NEDS (up to 30% of Total Units)	
	<u>Initial 5% UFAS</u>	<u>Bailey 5% UFAS</u>	<u>UFAS</u>	<u>NEDS</u>
SRO ²				
0 bedroom				
1 bedroom				
2 bedrooms				
3 bedrooms				
4 bedrooms				
TOTAL				

	Affordable Units¹		Market Rate Units		TOTAL	
	<u>Rental</u>	<u>Home Ownership</u>	<u>Rental</u>	<u>Home Ownership</u>	<u>Rental</u>	<u>Home Ownership</u>
SRO ²						
0 bedroom						
1 bedroom						
2 bedrooms						
3 bedrooms						
4 bedrooms						
TOTAL						

¹Rental units affordable to households with income < 60% Area Median Income for HOME Funds and < 80% for Bond Funds;



□ 3. Site and Neighborhood Standards

- Census Tract: _____ Is this a Community of Opportunity as defined in the State QAP? Yes ___ No ___
- Minority Concentration Percentage: _____
- Poverty Rate: _____
- Is the proposed project in a census tract that is located within a HUD-designated Enterprise Zone, Economic Community, HUB Zone, or Renewal Community?
- Is the project located in a State of Maryland Enterprise Zone or Empowerment Zone?
- Will the project be located in a census tract where the concentration of assisted units will be or has been decreased as a result of public housing demolition? If yes explain in detail.
- Is the census tract in which the project will be located undergoing significant revitalization? If yes explain in detail.
- Are new market rate units being developed in the same census tract where the proposed project will be located?
- What is the likelihood that such market rate units will positively impact the poverty rate in the area?
- Indicate what meaningful opportunities for educational and economic advancement in the census tract where the proposed project will be located?
- Does the site promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income person?
- Is the site accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents?
- Is the travel time and cost via public transportation or private automobile considered excessive from the neighborhood to places of employment providing a range of jobs for lower-income workers?
- Is the site located in an area of minority concentration (more than 20% greater than the average minority concentration for Baltimore City – i.e. more than 84%)? If yes are there sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of the minority concentration?
- Is the site located in an area of minority concentration (more than 20% greater than the average minority concentration for Baltimore City – i.e. more than 84%)? If yes is the project necessary to meet overriding housing needs that cannot be met in the housing market area [“Overriding housing needs” criterion means the sites is an integral part of an overall local strategy for the preservation or restoration of the immediate neighborhood experiencing significant private investment that is demonstrably improving the economic character of the area (a “revitalization area”)?)]



- Is the neighborhood seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate, unless there is actively in progress a concerted program to remedy the undesirable conditions?
- **4. Evidence of Site Control and Development Approvals.** Applicants must be able to demonstrate a reasonable expectation of control over the project site by the time of the State NOFA deadline. Evidence must be in the form of a copy of the deed to the property, a copy of the sales contract, an executed land disposition agreement, or a letter of intent to purchase the property from DHCD. Other evidence may be accepted at the sole discretion of DHCD.

At the time of application to the City, applicants must also be able to show what development approvals are needed for the project (i.e. zoning, site plan review committee approval, BMZA, City Council legislation: Conditional Use, PUDs, Street and Alley Closings, etc.) and demonstrate that they have begun to gain the necessary approvals. Evidence can be, but is not limited to, a copy of the Planning Department Pre-Development meeting request form, copy of a filed BMZA application, SPRC approval, zoning certification letter from the City of Baltimore Zoning Administrator. In the case of required legislation or public hearings, applicants must be able to demonstrate a reasonable expected timeline for bill introduction and/or hearing schedule. Evidence submitted must exemplify and support the type of approvals needed for the project. Other evidence may be accepted at the sole discretion of DHCD.

- **5. Evidence of Community Consultation.** Applicants must contact neighborhood organizations in the vicinity of the proposed development prior to applying for funding. A list of relevant organizations can be obtained from the Baltimore City Planning Department at 410.396.4329 or online at www.baltimorecity.gov/government/planning/cad.php or under the Community Association Directory tab. Applications must include evidence of consultation, which shall include a copy of the agenda that was distributed when the presentation was made and copies of all correspondence and emails pertaining to the proposed project.



❑ **6. Disclosures.**

Has any principal identified in this form or any corporation or organizations in which this principal is or was formerly a principal partner, managing member or otherwise owned or control more than 10% of the shares or assets of a corporation, been the subject to any of the following?		
Pending judgments, legal actions, lawsuits, orders and/or orders of satisfaction?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Been convicted or in a pending case for fraud, bribery, or grand larceny?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Been convicted or in a pending case for arson?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Adjudged bankrupt, either voluntarily or involuntarily, within the past 10 years?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Indicted for or convicted of any felony within the past 10 years?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Unpaid taxes or liens?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Declared in default of a loan or failed to complete a development project?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Failed to complete or currently in violation of any agreement involving the City of Baltimore?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If the answer to any of the above is yes, please provide a full explanation below, including as appropriate for each case 1) date, 2) charge, 3) place, 4) Court, 5) action taken, and 6) current disposition. Attach additional sheets or documentation, as necessary.		

- ❑ **7. Owned Property Disclosure.** Applicants must identify any property developed, owned and/or managed by the applicant or any principal listed in this application or by a corporation or organization in which the applicant or any principal listed in this application is or was at the time of development, ownership or management a principal partner, managing member or otherwise owned or controlled more than 10% of the shares or assets of a corporation. This includes personal residences.

Address	Name of Legal Owner	Role	Relationship to Applicant
<i>Example: 417 E Fayette Street Baltimore, MD 21202</i>	<i>DHCD LLC</i>	<i>Developer, Owner, Manager</i>	<i>Jane Smith (principal in Applicant Entity LLC) is President of DHCD LLC.</i>



8. Certification of Compliance.

Please note: if the applying entity is a joint venture, an officer of each entity composing the joint venture must sign this certification form.

I, _____, am an officer authorized to make a binding contractual commitment for the applicant.

I have received, read, and understand the provisions of this Notice of Funding Availability (NOFA).

I acknowledge that failure to disclose a material fact or to misrepresent a fact can result in disqualification of the development proposal from further consideration. I certify that all information contained in this response to the NOFA, including, but not limited to, the disclosure information is true and correct to the best of my knowledge and belief.

I understand by signing this form in conjunction with a response to this NOFA, that the City may, at its choosing, conduct a check with Dun and Bradstreet and other credit verification or similar agencies.

I understand that the City is not obligated to pay, nor will it in fact pay, any costs or losses incurred by the applicant at any time, including, but not limited to, the cost of: 1) any prior actions by the applicant in order to respond to the NOFA, and/or 2) any future actions by the applicant in connection with any negotiations between the applicant and the City, including, but not limited to, actions to comply with requirements of DHCD, the City. I agree to comply with any applicable Federal, State or City laws and regulations governing this development proposal.

I agree that I will not enter into, execute or be a part to any Covenant, Agreement, Lease, Deed, Assignment or Conveyance, or any other written instrument which restricts the sale, lease, use or occupancy of the property or any part thereof, upon the basis of race, color, religion, sex, or national origin and will comply with all Federal, State, and local laws, in effect from time to time, prohibiting discrimination or segregation and will not discriminate by reason of race, color, religion, sex or national origin in the sale, lease, use or occupancy of the property.

Dated: _____

Signature: _____

Title: _____



Application Checklist:

Tab	Contents
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1. Form 202 of the Maryland Department of Housing and Community Development's low-income housing tax credit ("MD Form 202")
2. Exhibit B: Project Information, Part 2: Other Project Financing
3. Exhibit C: Site Information, Part 1: Site Map and Photographs
4. Exhibit E: Financial Statements of Owners, Guarantors and General Contractors
5. Exhibit F: Construction Information, CDA form 212 and Building Evaluation Report only. Attach available renderings and elevations.
6. DHCD Supplemental Application
7. Evidence of Site Control
8. Evidence of Community Consultation
9. Disclosure Form
10. Owned Property Form
11. Executed Compliance Certificate
12. Concerted Community Revitalization Plan (if applicable)

