

Pre-Proposal Conference Questions and Answer Summary

Notice of Funding Availability (NOFA) for the New Construction/Preservation of Existing Rental Housing utilizing Affordable Housing Trust Funds (AHTF)

Monday, June 22, 2020

On June 22, 2020 the Department of Housing and Community Development received Thirty (30) questions regarding the NOFA for the New Construction/Preservation of Existing Rental at the pre-proposal conference. Below is a summary of the questions raised and the Department's responses:

1. Q: Does the 10 or more-unit threshold mean the total number of units in the project or the total number of units that will be made affordable using these funds?
A: The threshold represents the total number of units utilizing the AHTF funds.

2. Q: How would a nonprofit program be considered for MBE/WBE purposes?
A: The Department will consider the developer's capacity to carry out the project. If the nonprofit will also be the builder, then they must comply with the Cities' MBE/WBE requirements, which are 27% MBE/ 10% WBE.

3. Q: Can the developer use a customized version of CDA's 202, in lieu of the linked budget form in the NOFA?
A: Yes, the CDA 202 is an acceptable budget format.

4. Q: Does the Davis-Bacon Act apply to this NOFA?
A: Davis Bacon wages do not apply to this NOFA unless the project is utilizing federal funds or vouchers with 12 or more units.

5. Q: Please clarify the green building & sustainability requirements.
A: Projects are required to comply with the City's Green Building standards requirements. One and two-family dwelling units are exempt from this requirement. Multi-family dwellings that are no more than three stories high, above grade in height and contain no more than five dwelling units are also exempt from this requirement. For more information on the Cities' green building & sustainability requirements, contact Katy Byrne, Baltimore City DHCD Assistant Commissioner for Litigation at Kathleen.byrne@baltimorecity.gov or (410) 396-4140.

6. Q: Are gut rehabs eligible for AHTF - New Construction funding?
- A: A gut rehabilitation is not considered New Construction. A gut rehab would be classified as a rehabilitation.
7. Q: Will awards be made prior to the CDA deadline of September 9, 2020?
- A: The Department intends to make announcements during the first week of September and will be making every effort to adhere to the timeline stated in the NOFA. However, the final schedule is contingent on the number of applications received & application scoring. The Department will make changes to the NOFA schedule as necessary.
8. Q: Is stabilization of non-MCC owned property considered construction or a pre-Development activity?
- A: Stabilization of existing structures or MCC-owned property is considered rehabilitation.
9. Q: Are the rent caps for 50% and 30% AMI published?
- A: Yes. There's a link on page 3 of the NOFA that discusses Area Median Income (AMI) limits for 2020.
10. Q: If a project has a mix of 30%/50% AMI units, does the maximum subsidy amounts differ between the unit types or does the 50% AMI max apply to all?
- A: The subsidy amounts would differ.
11. Q: Will the City prevailing wages apply if awarded?
- A: Yes, all applicants must comply with all federal, state and city prevailing wage rate requirements.
12. Q: When will applicants be notified of approval/denial?
- A: The Department anticipates recommendations will be made by the first week of September 2020.
13. Q: Please confirm that the City's Green Building Law allows other green programs in Silver Enterprise Green Communities.

A: Yes, confirmed

14. Q: Does a project need a predevelopment meeting with Planning for an occupied rehabilitation?

A: Yes

15. Q: Can Affordable Housing Trust Fund (AHTF) monies be applied to a subset of units in a larger project that is also receiving other city, federal or state subsidies for their project?

A: Yes, assuming all criteria for AHTF and any other city, state or federal subsidies are met and do not conflict. Contact Jim Majors for more information.

16. Q: What categories are considered threshold and is the 105 required points based on threshold criteria plus bonus points or just threshold?

A: The threshold is based on a minimum score of 105 points.

17. Q: Are there any bonus points for Site Control?

A: No. Site Control is a threshold requirement. See pages 14-16 of the NOFA for more information.

18. Q: Is there a breakdown of what goes into the 78 points for project feasibility?

A: Yes, the scoring criteria is listed on pages 10-16 of the NOFA. Applicants are asked to demonstrate their project's financial feasibility, their capacity for leveraging additional funding and their capacity to manage a development team with experience. Feasibility also includes the project budget and letter of intent/interest from lenders. There is no specific number of points for each activity.

19. Q: Does the two-year timeframe to complete a project only assume closing or does the Project have to be 100% completed with rehab and construction within two years?

A: Projects are expected to be completed within two years of loan closing.

20. Q: The NOFA awards bonus points for up to 25% of units serving 30% AMI. Would having more than 25% AMI be viewed negatively?

- A: It's not that it will be viewed negatively it's just not feasible. Any project with units that are at 30% or less of AMI will need to have some form of city subsidy. Subsidies such as funds from CDA will cap you at a max of 20% to 25% of units at 30 percent AMI.
21. Q: Does pursuing a green program certification qualify as a significant plan for environmental sustainability in the bonus point category on page 16?
- A: Yes. Points will be awarded to projects that include a significant plan for environmental sustainability such as: deconstruction and debris material recovery, construction techniques that will reduce impervious surfaces with a carbon footprint, urban garden, composting or other sustainability initiatives.
22. Q: How will you ensure the funds go to emerging developers?
- A: Everything done by the Department has transparency. Projects are evaluated based on their merit and the developer's capacity. If the applicant is a new developer and the project scores well, we can also recommend that the developer engage the services of a consultant to assist them.
23. Q: If a project is utilizing 9% & 4% Low Income Housing Tax Credits (LIHTC's), but the Applicable 50% or less AMI units are only in the 9% portion of the project, does the entire project budget need to be presented?
- A: Yes. The Department would like to review the entire project budget.
24. Q: What does the 118-point scoring criteria consist of?
- A: The maximum points for project feasibility is 78 points. The maximum points for community engagement are 25. The maximum points for achieving equity is 15. All categories together total 118 maximum points.
25. Q: Will this be the only round of funding for this year?
- A: The New Construction & Preservation of Existing Rental Housing is the first NOFA issued under the Affordable Housing Trust Fund. The AHTF Commission has also approved other buckets of funding that are currently being prepared for posting. Other AHTF NOFA's will be posted later this year.
26. Q: Can the funds be used to buy city-owned property?
- A: Acquisition of city-owned property using AHTF funds is an ineligible activity for the use of these funds.

27. Q: Is rehabilitation of a vacant building eligible for AHTF funds?

A: Yes

28. Q: Do projects need to be in one contiguous grouping, or can they be in separate areas of a neighborhood or different neighborhoods?

A: The Department prefers that projects be located in one specific neighborhood. Scattered site development projects are not discouraged and are not ineligible activity. However, they tend to be more costly because of mobilization and remobilization.

29. Q: Can AHTF funds be used to rehab a city-owned property?

A: NO

30. Q: Will there be an interest or principal repayment of the awarding of funds?

A: The terms of the awards are contingent on the development proposal's pro forma.