



Affordable Housing Trust Fund

New Construction/Preservation of Existing Rental Housing

Notice of Funding Availability (Round 3)

Questions & Answers Summary (5/4/22 Preproposal Conference)

1. Q: Is emergency shelter for homeless eligible to apply for funding through the current NOFA?

A: **No.**

2. Q: On the NOFA application, it says that projects need to show that they can complete and occupy the project within 2 years of a funding agreement. When does the funding agreement happen? For example, we would use these funds in combination with a 4% LIHTC application. Usually, Maryland takes a year to closing a 4% bond application which then would start construction. We have a new construction project that will likely take 14-16 months after closing. Is this possible to get funding? Can the funding agreement occur with the closing?

A: **We understand the timeline of the tax credit applications with the State. Funding can occur at the time of closing. We actually encourage this, but be mindful that no money can be drawn down until the agreement has gone to the Board of Estimates. This includes the 25% advancement funds.**

3. Q: We are applying for funds for the re-syndication/preservation of a LIHTC senior building that is past Year 15. Can the funds come to the to-be-formed Limited Partnership, of which we do not know the name yet? Do we just apply in the name of the nonprofit Managing General Partner and make the change later, closer to closing and the formation of the new entity?

A: **This is a legal question that would have to be addressed at the time of award. From past situations like this the General partner had to sign the agreement as a Guarantor. I would advise to apply in the name of the nonprofit managing general partner and make the change later and have the managing general partner sign as a Guarantor.**



4. Q. For projects that are using LIHTC and have applied to the state for same, can we just use the CDA form 202 in lieu of the budget spreadsheets provided?

A. **Yes**

5. Q: Does an applicant need to be a non-profit or a land trust in order to apply for these funds?

A: **Non-profit, for profit or joint ventures are eligible to apply for this NOFA. Non-profit or land trust is not a requirement for this funding.**

6. Q: How was the NOFA released? I am on several Baltimore DHCD email distribution lists and I did not receive notice that the NOFA was released until May 5, a day after the pre-proposal conference. I would like to be included on any future release of information regarding the AHTF.

A: **It was released via DHCD's website and announced via press release and at the monthly commission meeting. We are aware of the issues with the mailing list and are working with our communications team to make sure all future announcements are sent in a timely manner.**

7. Q: Will a recording of the pre-proposal conference be made available for review?

A: **Yes, a recording and written summary of the NOFA Q&A's can be found on the Trust Fund webpage. [Affordable Housing Trust Fund NOFA webpage.](#)**

8. Q: Are projects intending to utilize equity from 9% or 4% low-income housing tax credits eligible for funding under the NOFA?

A: **Yes**



9. Q: Are projects that were submitted in the most recent 9% LIHTC application round (May 2022) be eligible for AHTF funding?

A: **Yes**

10. Q: Will projects currently under construction but facing cost increases due to pandemic, supply chain, and/or inflation be considered eligible for AHTF funding?

A: **Yes, as long as the project has not already been awarded AHTF funds. If your project was awarded AHTF funds in rounds 1 and 2, assistance is being considered for construction cost increases.**

11. Q: How will these funds be awarded to a project? Will the funds be a loan to the project from Mayor and City Council or will the funds be a grant? If a loan, what are the terms of the loan? Will the funds be allowed to be subordinate to other proposed or existing financing?

A: **This depends on the particulars of your project and other financing that it receives. After review of your project and the pro forma, if there is money left to pay the City back it will most likely be a loan. Terms of the loan will be set at the time of agreement preparation. Trust Funds can be subordinated.**

12. Q: What is the expected length of time between an award of funds and execution of a Funding Agreement and/or Board of Estimates approval of the transaction?

A: **3 to 6 months if there are no issues holding up the process and if the project can be completed and occupied within 24 months.**

13. Q: Is delivery of services (after-school programs, job training, GED programs, financial counseling, etc) to renters at an existing affordable rental property an eligible use of AHTF funding?

A: **No. See list of eligible uses via the NOFA posted on DHCD's website.**



14. Q: Are there substantial differences between the requirements of this and the prior NOFA rounds?

A: **There's no substantial differences between this and previous NOFA rounds. However, bonus points increased from 4 to 10 points for projects developing 30% AMI units this round. Also, the maximum funding amount has been increased from \$750K to \$1 million per project.**

15. Q: Can these funds be used to purchase City-owned property?

A: **No.**

16. Q: What's the website where this NOFA can be accessed?

A: [Notices of Funding Availability | Baltimore City Department of Housing & Community Development](#)

17. Q: Can I apply for this funding source if I've already started construction on a project or is this funding only for future projects?

A: **Yes, projects that are underway are eligible for this source of funding, however, these funds can only be used for eligible costs incurred after the date of award.**

18. Q: Is there a rubric for partial scoring or more details on the variance in scoring, based on how much of the requirements are being met?

A: **Each review panelist will determine how much of the total amount of points have been fulfilled. Partial points may be considered for future NOFAs.**



19. Q: Can we apply for additional funds on a project that has already been awarded in a previous NOFA round?

A: You cannot receive more than one award for the same project. However, previous awardees may be eligible for additional funding, as DHCD is aware of and working to address increased construction costs that have impacted these projects.

20. Q: We have 14 continuous properties on one block that will be consolidated into 2 separate legal addresses. Would that be considered 2 projects or one, even though construction will be occurring at the same time?

A: As long as the project is under the same legal entity/owner, it would be considered one project, even if there are multiple addresses within that project.

21. Q: Do we have to apply for this funding source prior to pulling permits?

A: No, you don't need to apply prior to pulling permits, but costs incurred before the award date will not be eligible for reimbursement.

22. Q: Is this award a loan to be paid back or a grant?

A: Trust funds may be structured as a grant or loan, depending on the specifics of the project. For example, some projects receiving Low Income Housing Tax Credits (LIHTC) have requested a loan to support the in-basis on tax credits.

23. Q: Can these funds be used for construction, rehabilitation and partial acquisition? And if yes, how should the application be structured to receive funds as a grant and loan, if awarded?

A: The funds can be used for construction, rehab and acquisition. Historically, the funds have been issued as a grant or a loan.



24. Q: What's the turnaround time from the award decision to accessing the funds for acquisition?

A: The application deadline is June 10. Awards will be announced in August. If awarded, the turnaround time for getting through the process to funding disbursement will depend on the specifics and status of your project.

25. Q: Who do I contact if I have any additional questions on the NOFA?

A: Additional questions can be sent to DHCD.AHTFNOFA@baltimorecity.gov no later than May 6, 2022. Questions and answers will be posted on the AHTF NOFA webpage [Notices of Funding Availability | Baltimore City Department of Housing & Community Development](#) by May 16, 2022.

26. Q: If I'm acquiring City-Owned properties, would that disqualify me from an award from this funding source?

A: Acquiring City-owned property does not disqualify you from being awarded, you just can't use these funds to acquire City-owned property. For example, if you've already acquired the City-owned property, construction costs would be an eligible use of these funds.

27. Q: If I'm requesting funds for acquisition, should I acquire the property and use the funds as reimbursement on the acquisition or can I submit a contract of sale for the acquisition as a part of the application?

A: The 25% advance can be used for acquisition, but you must have site control for the property (contract of sale). You can also acquire the property and use the funds for reimbursement, but in either case, the acquisition must occur after the award date for those costs to be covered.

28. Q: We buy, renovate and sell homes to investors, and we also provide section 8 property management for the owner/investors. Would we qualify for these funds?



A: This would need to be discussed with our legal department. The affordability requirements attached to this funding restricts occupancy to tenants earning 50 % or less AMI for 30 years and the awardee will be required to record a declaration of restrictive covenants on the property.

29. Q: I have 2 properties and am currently working on one. Do the affordability requirements mean that I have to have some type of program, like section 8 in the properties?

A: No, it just means that you must set the rent at an affordable rate for residents earning 50% or less AMI. More information on HUD's income limits can be found [here](#).

30. Q: Is there any restriction on using other government loans or grants on the project?

A: These funds cannot be used if you're receiving Baltimore City HOME funds. on the project.

31. Q: If you have a rental property that you're rehabbing, can the units already be occupied or must they be unoccupied?

A: They can be occupied.

32. Q: The NOFA lists mixed use buildings that include ground -floor retail is an eligible use. But commercial, retail, or economic development uses is ineligible. Can you explain the difference?

A: If you have a mixed-use building, we would be able to fund the (affordable) residential units within the building.

33. Q: Will we receive our application score and will we have the chance to appeal or clarify any information on the application if needed?

A: DHCD will provide an optional debrief to applicants not receiving an award.