



BALTIMORE CITY  
DEPARTMENT OF HOUSING &  
COMMUNITY DEVELOPMENT



Notice of Funding Availability

# DEVELOPER INCENTIVE PROGRAM

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## Program Overview

Please provide the following information.

In 2023, DHCD established the **Developer Incentive Program** to provide appraisal gap funding to organizations, non-profits, and single-family primary homeowners who are in the process completing extensive renovation of formerly vacant homes located in one the city's designated Impact Investment Areas for homeownership projects. Projects must have an appraisal gap due to total renovation cost exceeding the after-renovation market value. The Developer Incentive Program will provide appraisal gap funding in the form of a grant.

**For Example:** Renovation cost \$200,000 and post rehab market appraised value is \$150,000, leaving an appraisal gap of \$50,000. The appraisal gap through the Developer Incentive Program will fill the appraisal gap.

In FY24, DHCD will be making up to **\$1.5 million in American Rescue Plan Act (ARPA) funding available for appraisal gap funds through the Developer Incentive Program**. Each project is eligible to receive up to \$50,000 in appraisal gap grant funding per property as justified by a certified property appraisal or recent broker price opinion and an accepted development pro forma and project budget. Projects must be single family projects for homeownership in the city's designated Impact Investment Areas and serving households that earn no more than 80% of the HUD Area Median Income (AMI) as adjusted by household size. Confirmation if your project is a qualified area can be found at <https://cels.baltimorehousing.org/codemapv2ext/>.

### Eligible Applicants:

Applicants eligible to apply for Developer Incentive Program appraisal gap funds includes for-profit developers, Non-Profits, and individual primary home-buyers seeking funds to eliminate expected appraisal gaps after the renovation of formally vacant properties in the city of Baltimore. Applicants may submit up to five (5) proposal per application in which the total subsidy does not exceed \$250,000. For applications with multiple proposals, at least two projects must have use and occupancy permits prior to receiving additional Developer Incentive Program funding for other projects.

Eligible for profit and non-profit applicants must provide proof of their business entity's status of good standing with the Maryland State Department of Assessments and Taxation (SDAT) – proof can be provided as a timestamped screenshot of SDAT's Business Entity entry for the applicant or a scanned copy of the Certificate of Status. DHCD reserves the right to require organizations with annual operating budgets of \$100,000 or less, operating for 12 or fewer months to identify a fiscal agent or to partner with an eligible applicant. Applicants using a fiscal agent must include information describing their policies, procedures, and fee structure. Both the applicant and the fiscal agent must sign and return the Certification and Authorization to Submit form. In the event funds are awarded, DHCD will require an executed Memorandum of Understanding between the fiscal agent and applicant.

## Eligible Projects:

Single family projects for homeownership in Impact Investment Areas and prospective homeowners earning no more than 80% of the Baltimore City HUD AMI.

## Ineligible Projects:

- Non-homeownership projects
- Rental projects
- Commercial projects
- Properties outside of Impact Investment Areas
- Properties without a current vacant building notice
- Homes for households earning over 80% of AMI at the time of move-in.

## Threshold Review:

Before awarding, all applications must meet the following threshold criteria:

- Proof of vacant building notice
- Provide evidence of site control or evidence of the ability to acquire the proposed site within three months of a funding award (example of site control include but not limited to, Exclusive Negotiating Privilege (ENP), Option, Contract of Sale)
- Homeownership for households that earn no more than 80% of AMI
- Estimated total project budget and project description (**Note: Developer fee cannot exceed 12% of total development cost**)
- **Provide cash flow proforma**
- Ability to provide an as completed appraisal of the property
- Proof of an appraisal gap based on provided project budget, sales price, and value documentation
- No vacant building notice in excess of projects related to the application
- No outstanding liens or judgments on any properties (individual or organizations)
- For organizations: Good Standing with State of Maryland

## Awarding

- Complete and sign award letter accepting the Developer Incentive Program funds
- Sign executed grant agreement
- Provide DHCD with income certification documentation of prospective home-buyers
- Provide DHCD with homeowner closing documentation
- Proof of sale to home-buyer is an arm's length transaction
- Home-buyer will be required to sign an affidavit at purchase attesting to their intent to occupy the home themselves for 5 years after purchase. The owner-occupancy requirement is enforceable through penalty of perjury.
- All sellers will be required to show a Use and Occupancy permit before awarding.
- DHCD will review all final home sales prices. If sales price is higher than appraisal value, DHCD will work with the seller to determine the next course of action.

**Application Submission:** [All applications must be submitted through Neighborly.](#) **Applicants can apply when projects are ready with financing and evidence of site control. Applications will be available on a rolling basis until total funding allocation is met.**

**By submitting this application, you agree for DHCD to perform background check.**

## A. Organization Information

Please provide the following information.

**A.1. Organization/Company/Applicant Name**

**A.2 Organization Address**

**A.3 Primary Contact Name and Position**

**A.4. Primary Contact Phone Number**

**A.5. Primary Contact Email Address**

**A.6. Briefly describe your company/organization/Individual mission and recent development projects:**

**A.7. Please give a detailed description of your development team and their experience and capacity:**

## B. Project Information

Please provide the following information.

**B.1. Please provide details of your project including timeline, household income served, and address and neighborhood of the project.**

**B.2. Provide figures for the following:**

**Appraisal Gap Amount Requested**

**\$0.00**

**Project Renovation Cost**

**\$0.00**

**Post Renovation Appraised Value**

**\$0.00**

**Appraisal Gap Amount**

**\$0.00**

**Amount spent on project as of application**

**\$0.00**

**B.3. Check the boxes below regarding each individual and/or business entity buyer and any of the business entities listed above:**

**B.3a. Party in a pending lawsuit.**

**B.3b. Conviction or pending case for fraud, bribery or grand larceny**

**B.3c. Conviction or pending case for arson.**

**B.3d. Indicted for or convicted of any felony within the past 10 years.**

**B.3e. Adjudged bankrupt, either voluntary or involuntary, within the past 10 years**

**B.3f. Unpaid delinquent taxes, municipal liens, and/or outstanding judgments**

**B.3g. Declared in default of a loan or failed to complete a development project.**

**B.3h. Failed to complete or currently in violation of a Land Disposition Agreement or other agreement involving the City of Baltimore.**

**B.3i. Own a property which currently has a Vacant House Notice or other housing code violation in Baltimore City or elsewhere.**

**B.3j. Failed to obtain required building permit for work performed.**

**B.3k. Failed to register a currently owned, non-owner-occupied dwelling unit in Baltimore City as required by Baltimore City Code Art. 13 § 4.**

**B.3l. Failed to comply with inspection and/or registration requirements under the Maryland Lead Law. (Maryland Code: Environment § 6-801 - 6-852; Article 48A §734-737; Real Property § 8 - 208.2)**

## **C. Required Documents**

Please provide the following information.

### **Documentation**

**Funding Sources**

**Provide documentation of all funding sources**

\*\*No files uploaded

**Project Budget and Project Scope of Work**

**Please complete a budget providing details of the total development cost. Include a Development Budget detailing acquisition costs, construction costs, soft costs, financing costs, legal costs, and developer fees. Also include the Scope of Work.**

\*\*No files uploaded

**Project Schedule**

**Provide project timeline that includes relevant timeline of project completion.**

\*\*No files uploaded

**Sources and Uses**

**Include a Sources and Uses statement detailing any equity, debt, additional public or private supports, overhead, or other. Uses can include acquisition, hard costs, soft costs, but are not limited to these items. Costs estimates should correspond with the project budget.**

\*\*No files uploaded

**Attach Appraisal**

\*\*No files uploaded

**Attach Marketing Plan, if applicable**

\*\*No files uploaded

**Attach Vacant Property Notice**

\*\*No files uploaded

 **Submit**

Please provide the following information.

**I attest that the information entered into this application is true to the best of my knowledge.**

**Signature**

\*\*Not signed

**Date**

## Admin Docs

Please provide the following information.

### Documentation

**Award Letter**

\*\*No files uploaded

**Updated post-award budget**

\*\*No files uploaded

**Grant agreement with exhibits**

\*\*No files uploaded

**Grant amendment**

\*\*No files uploaded