

# Housing and Community Development Notice of Funding Availability (NOFA)

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Public Notice to Owners and Developers



The Baltimore City Department of  
**HOUSING & COMMUNITY  
DEVELOPMENT**

**Housing and Community Development**  
**Spring 2018**  
**Notice of Funding Availability (NOFA)**

**INTRODUCTION**

Baltimore City Department of Housing and Community Development (“HCD”), is pleased to announce the Spring 2018 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 \$750,000 per project, some of which may not be available until the fall of 2019 in conjunction with 2018 applications to the State of Maryland for 9% Low Income Housing Tax Credits;

**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 HCD project support. The pre-proposal meeting will be held on **February 16 from 1 to 3 p.m. in Room 346 at:**

**The Benton Building**  
**417 East Fayette Street**  
**14th Floor**  
**Baltimore, Maryland 21202**

HCD 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 Spring 2018 NOFA is:

Post NOFA on web – February 9, 2018
Pre-proposal conference – February 16, 2018
Application submission deadline – March 9, 2018
Developer presentations – week of March 19, 2018
Applicants notified of decisions – week of April 2, 2018



## Deadline

All copies of complete applications must be delivered to the Office of Project Finance no later than 4:00 p.m. on **March 9, 2018**. No applications will be accepted after this time. Applications will be date stamped upon delivery. Incomplete applications will not be processed.

## Disclaimers

HCD, 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. HCD reserves the right to post summary information about all submissions, including those awarded financial or programmatic support.

## **SUBMISSION REQUIREMENTS**

For the Spring 2018 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. HCD 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,
  - 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 HCD, applicants will be required to update the community.

Applicants must submit one (1) original and three (3) 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 HCD should be delivered to:

Office of Project Finance  
Housing and Community Development  
417 East Fayette Street, 9<sup>th</sup> Floor  
Baltimore, Maryland 21202  
ATTN: James R. Majors, Director Office of Project Finance

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

HCD 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 \$ 750,000 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 2019. 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. All projects requesting HOME funds will be required to meet all federal rules and regulations, which include Neighborhood and Site Selection standards. 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 located in census tracts with poverty rates above 20% or with minority concentration rates in excess of the City's average will need to demonstrate mitigating circumstances in order 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.
3. The HOME program requires HCD 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 HCD'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 HCD. 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 NOFA 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 HCD. Other evidence may be accepted at the sole discretion of HCD.

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 HCD.

**2. Policy Objectives.**

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

The Project must be located in a Community of Opportunity as defined by the 2018 Maryland State Qualified Allocation Plan ("QAP") **OR**

The Project must be a Community Impact Project as defined by the QAP. Please attach a copy of the Revitalization Plan that meets the requirements of the QAP and complete the following checklist:

Requirement	Plan Meets Requirement (Yes/No)	Page reference in Plan
Geographically Specific		
Clear Implementation Plan and goals for outcomes		
Includes a strategy for applying for or obtaining		



commitments of public or private investment in non-housing infrastructure, amenities or services		
Demonstrates need for community revitalization		
Officially adopted by or created by Local Government		
Consistent with Maryland's Smart Green and Growing Initiatives and PlanMaryland		
Established to increase investment in the community or build from an existing community asset		
Developed and approved in accordance with local planning requirements		
Includes evidence of community and stakeholder engagement		
Defined geographic boundary that includes the proposed site		
Includes rehabilitation or new construction of rental housing as a goal		
Includes details of implementation measures along with specific time frames for the achievement of policies and housing activities		
Includes list of other investment occurring or planned within the immediate area		

**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.





**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 2019 to close and draw funds: Yes: _____ No: _____
<b><u>Use of City Funds:</u></b>
<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):

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

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

□ **3. Site and Neighborhood Standards (Complete for HOME only)**

- 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 HCD. Other evidence may be accepted at the sole discretion of HCD.

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 HCD.

- **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](http://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.

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



**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 Baltimore Housing, 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: \_\_\_\_\_

