

**SHELTER AND TRANSITIONAL HOUSING FACILITIES GRANT PROGRAM**

**PROGRAM DESCRIPTION**

Maryland Department of Housing and Community Development

Division of Development Finance

Multifamily Housing Programs

7800 Harkins Rd

Lanham, Maryland 20706

301-429-7712 or 1-800-543-4505

dhcd.maryland.gov

Larry Hogan, Governor

Boyd K. Rutherford, Lieutenant Governor

Kenneth C. Holt, Secretary

Ellington Churchill Jr., Deputy Secretary



*The Maryland Department of Housing and Community Development pledges to foster the letter and spirit of the law for achieving equal housing opportunity in Maryland.*

Introduction

The Shelter and Transitional Housing Facilities Grant Program (the Program) is administered by the Multifamily Housing Programs (“MHP”), a unit of the Division of Development Finance, more commonly referred to as the Community Development Administration or “CDA”, of the Maryland Department of Housing and Community Development (the “Department”).

Program Purpose

The purpose of the Program is to provide capital financing for emergency shelters and transitional housing facilities that provide housing and support services to households to prevent homelessness and assist households to be able to live independently. “Housing First” models will also be considered. The Program provides grant funds to nonprofit organizations and local governments for new construction, acquisition, and rehabilitation of housing and for the purchase of capital equipment.

General Requirements

A. Target Population:

(1) Applicants must identify the target population they expect to serve (for example, families, women and children, single males, victims of domestic violence).

(2) Sponsors are expected to continue to serve the designated population(s) throughout the funding term.

B. Supportive Services

(1) The supportive services provided should be specifically oriented to meeting the needs of the target population. Applicants will be asked to provide a complete description of the services they intend to offer to the proposed target population. While the Department will evaluate proposed services as part of the review process, no services may be funded through the Program.

(2) Any services offered to residents must be clearly defined and service providers must be identified. The Department will enlist the assistance of the Maryland Department of Human Resources’ (DHR) Office of Transitional Services by requesting their review of the adequacy and sufficiency of the proposed supportive services program.

(3) Applicants must submit copies of commitment letters, agreements or other documents satisfactory to the Department identifying the sources of funding for the services to be provided. A plan outlining funding sources for services and operating expenses during the term of the project will be required at the time of application. The Department will take into consideration applicant’s experience in operating facilities for the homeless and its previous success in providing services, as well as its ability to secure funding for services in the past.

C. Eligible Sponsors

(1) Nonprofit organizations with a 501(c)(3) tax-exempt status and local governments are eligible to receive capital assistance through the Program.

(2) Nonprofit organizations that receive an allocation of Low Income Housing Tax Credits for a project and that form a limited partnership or limited liability corporation to own the project for the purpose of selling the Tax Credits will be eligible provided the nonprofit organization is the sole managing general partner and is responsible for the management of the project.

D. Eligible Projects

(1) Eligible projects include apartments, condominiums, townhouses, single family detached homes, single room occupancy facilities and group or shared housing which provide housing for homeless households and support services.

(2) A project may include uses other than housing for the homeless, such as traditional rental housing or nonresidential uses; however, Program funds will only be provided to the extent allowed for those units identified as transitional housing units and the necessary space and facilities required to operate the program- assisted units.

(3) Projects involving new construction or substantial rehabilitation are subject to a thorough review of all construction-related items by the Department’s Construction Management staff.

E. Eligible Activities

(1) Program funds may be used for:

a. The cost of acquiring land and buildings;

b. Necessary studies, surveys, plans, specifications, appraisals, compaction tests, test borings, construction cost estimates and environmental impact reports;

c. Site preparation;

d. Cost of labor and materials, including reasonable overhead and profit, for construction, rehabilitation, and installation of improvements as set forth in approved proposals or plans and specifications;

e. Acquisition of necessary machinery, equipment, and furnishings installed at the project, including HVAC systems and other equipment normally supplied to households residing in transitional housing; and

f. Fees and premiums normally incurred in real estate development including indemnity and surety bonds, hazard and liability insurance during construction, and other costs and fees acceptable to the Department.

F. Ineligible Activities

(1) Program funds may not be used to:

a. Refinance existing debt on projects;

b. Finance the costs of any portion of a building or undertaking that does not provide housing for the homeless and the necessary space and facilities required to operate the project;

c. Financial transaction costs associated with the offering and syndicated sale;

d. Replace furnishings such as beds, furniture, and floor covering and non-capital items in existing facilities providing housing for the homeless; and,

e. Provide operating assistance.

G. Occupancy Requirements

(1) Residents must be homeless households and individuals.

(2) Homeless is defined as a household without permanent housing and lacking the resources to obtain permanent housing, and in imminent danger of homelessness.

Funding Terms and Conditions

A. All funds offered under the Program are grants. The actual terms will be specified in the grant agreement.

B. Sponsors must sign, upon approval of the project, a financing and regulatory agreement acknowledging that all of the housing units financed with the capital assistance will be occupied by homeless households for not less than 15 years.

C. In general, the total capital assistance to a project may not exceed 50 percent of the total development costs of the project.

Repayment Terms and Conditions

A. Repayment of capital assistance may not be required unless the project ceases to be owned by a sponsor or operated in accordance with the requirements of the Program and the terms and conditions of the capital assistance documents.

B. Before the payment of any capital assistance, the sponsor must record notice, in the form prescribed by the Department, in the land records of the jurisdiction in which the project is located, of the Department’s right to repayment. The sponsor must provide evidence of such recordation to the Department.

Threshold Requirements

A. Applicants are expected to meet all of the following threshold requirements before an application will be accepted for review.

(1) The sponsor is a nonprofit organization or local government entity;

(2) The total capital assistance requested does not exceed the Program limits;

(3) Funds requested are for eligible uses; and

(4) The sponsor provides evidence of site control.

Processing Time

The Department will process all applications in accordance with the criteria established for the Program. The length of the underwriting phase will depend upon the circumstances of each individual project.

Acceptance of Applications

Applications are accepted any time of the year, and are processed on a first-come, first-served basis, pursuant to Program funding availability and the project’s readiness to proceed.

Information and Assistance

For additional information, contact:

Transitional Housing Grant Program Coordinator

Multifamily Housing Programs

Maryland Department of Housing and Community Development

7800 Harkins Rd

Lanham, Maryland 20706

301-429-7712 or 800-543-4505

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