

Multifamily Housing Notice 22-12

June 29, 2022

To: Developers, Sponsors, and Local Housing Contacts
From: Alvin Lawson, Director for Multifamily Operations
Re: **Development and Construction Relief Application Open**

The Maryland Department of Housing and Community Development is seeking proposals from qualified applicants for the Development and Construction Relief funds. Applications for the Development and Construction Relief funds are due no later than **2:00 PM on July 13, 2022**. Applications can be found under application documents at:

<https://dhcd.maryland.gov/HousingDevelopment/Pages/MFLibrary.aspx>

Applicants that are unable to submit electronic applications, may submit hard copies for the Development Relief and Construction Relief funds by **2:00 PM on July 13, 2022**, to the DHCD mailroom located at:

Maryland Department of Housing and Community Development
Tara Bacote, Deputy Director, Multifamily Operations
7800 Harkins Road
Lanham, Maryland 20706

To be eligible for the **Development Relief Funds**, projects will have or will:

- Received a 9% LIHTC Award, and incurred cost increases as a result of the pandemic.
- Be financially feasible, Development Relief Funds capped at \$2 million.
- Maximized first-lien debt using current rent limits and market study data.
- Taken appropriate steps to mitigate the impact of cost increases.
- Demonstrate the developer is deferring the developer fee or providing a sponsor loan in aggregate amount equal to at least 25% of the developer fee.
- Submit a completed CDA Form 202, which reflects all aspects of the project, including estimated development and operating budgets and pro forma.

- Demonstrate Readiness to Proceed. Projects must have updated milestones and closing date no later than 12/31/22. DHCD reserves the right to reject or rescind any awards for projects unable to close within 30 days of the projected closing date.
- Submitted a complete application. Incomplete applications will not be considered.

To be eligible for the **Construction Relief Funds** projects will have or will:

- Received an award of 4% LIHTC/MBP financing and can demonstrate the amount and the cause of the construction cost increase is due to the pandemic.
- Closed between **April 1, 2020 and April 30, 2022**.
- Taken appropriate steps to mitigate the impact of the cost increases.
- Approached other participants in the project to solicit support.
- Use any equity derived from the costs increases to offset those costs.
- Demonstrate and certify the General Contractor is not receiving additional profit, overhead or general requirements, except, in cases if general requirements where the pandemic-related impacts have increased its actual costs. As an example, if the construction schedule has been extended.
- Demonstrate the developer is deferring the developer fee or providing a sponsor loan in aggregate amount equal to at least 25% of the developer fee.
- The amount of Relief funds is no more than the lesser of \$1 million or 5% of the construction contract.
- Provide a copy of construction contract, including the construction period and change orders detailing COVID-Related material escalation costs.
- Submit a complete application. Incomplete applications will not be considered.

If you have any questions, please contact [tara.bacote@maryland.gov](mailto: tara.bacote@maryland.gov).

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IMPORTANT NOTICE REGARDING EMAILING OF MULTIFAMILY NOTICES

Multifamily Housing issues periodic notices (such as the one above) to announce new initiatives, provide important news, announce funding round deadlines, significant application changes, bond program amendments, and other key dates and facts on our website and by email only. You can subscribe to receive Multifamily Housing Notices at the following link:

https://public.govdelivery.com/accounts/MDDHCD/subscriber/new?topic_id=DHCDME

Notices are posted to the DHCD website at the following location:

<http://dhcd.maryland.gov/HousingDevelopment/Pages/MFLibrary.aspx>