

Maryland Department of Housing and Community Development

Community Development Administration

Housing Development Programs

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Larry Hogan Governor

Boyd K. Rutherford *Lt. Governor*

Kenneth C. Holt *Secretary*

NOTICE OF FUNDING AVAILABILITY (NOFA)

Section 811 Project Based Rental Assistance (PRA) Multifamily Rental Financing

Revised October 2016



Notice of Funding Availability (NOFA) Maryland Department of Housing and Community Development Section 811 Project Based Rental Assistance Program (PRA)

OVERVIEW

In 2013 and 2014, the U. S. Department of Housing and Urban Development (HUD) awarded Section 811 Project Rental Assistance (PRA) funding to Maryland. The Maryland Department of Housing and Community Development (DHCD) in partnership with the Maryland Department of Health and Mental Hygiene (DHMH) and the Maryland Department of Disabilities (MDOD) received a total of approximately \$20 million of PRA funding to serve approximately 300 households with individuals with disabilities, as further described below.

PRA funds must be used to provide project-based rental assistance for DHCD-financed rental units, which may include Low-Income Housing Tax Credit (LIHTC) units, that are, or will be, occupied by a household that includes a non-elderly person with a disability (PWD) referred by DHMH and MDOD. The household referred by DHMH/MDOD must have:

- A non-elderly adult with a disability, between the ages of 18 and 62 at the time of admission, and who is a Medicaid recipient;
- A disabled household member eligible for community-based, long-term services provided by DHMH or MDOD; and
- Household income at or below 30% of area median income (AMI).

Within this target population, eligible tenants will be prioritized by DHMH and MDOD in the following order:

- 1. Institutionalized Medicaid recipients;
- 2. Households at risk of institutionalization due to current housing situation;
- 3. Participants in the following programs that are moving into independent renting situations:
 - a. Developmental Disabilities Administration Community Pathways Waiver program; and
 - b. Behavioral Hygiene Administration Residential Rehabilitation Program; and
 - c. Homeless persons who are Medicaid recipients, prioritized in the order set forth in the HEARTH Act definition (HEARTH Act of 2009).

The PRA funding will be administered by DHCD in accordance with HUD requirements, which model the project-based Section 8 program in many ways. Properties that are selected to receive PRA funding will be required to sign a 30-year Use Agreement and 20-year Rental Assistance Contract (RAC) for the units. DHCD will operate the program and provide the rental assistance to the unit owner in accordance with each RAC. Each RAC will provide for an initial award to cover five (5) years of assistance for each PRA unit. Both DHCD and HUD anticipate that future funding will continue for the PRA units. If it does not, there are provisions to transition the

existing households to other rental assistance programs and terminate the owner's PRA obligations.

The form of Use Agreement may be found at the following web address: http://dhcd.maryland.gov/HousingDevelopment/Documents/section811/Exhibit10.pdf

The form of the RAC Agreement may be found at the following web address: http://dhcd.maryland.gov/HousingDevelopment/Documents/section811/Exhibit8.pdf

Through this NOFA, DHCD will select the properties and units to participate in the Section 811 PRA program (the "PRA Program or the "Program"). DHCD will make awards to existing projects in DHCD's portfolio, which are not otherwise applying for other DHCD financing. The goal of the PRA Program is to provide integrated living opportunities for persons with disabilities and extremely low incomes in various types of developments from high rises to garden-style apartment complexes in communities ranging from urban to suburban neighborhoods. Integrated living opportunities means that persons with disabilities will live and interact with other people of mixed-income levels and backgrounds, magnifying the opportunity to engage with a broad segment of society inclusive and representative of all persons in Maryland.

Under the initial PRA Demonstration program ("PRA Demo"), funding assistance was targeted to the Washington D.C. and Baltimore metropolitan areas. Under the second HUD PRA award to Maryland, funding is now available to eligible Section 811 units statewide. The need for one-bedroom units is likely to be stronger than for larger units so DHCD anticipates about 70% of the units to be one-bedrooms and 30% to be two-bedrooms. These percentages are estimates and may change as the PRA Program moves forward.

MDOD, working with DHMH and the private sector, will refer eligible tenants to the available units. At the time of the referral, potential tenants must be eligible for Medicaid funded long-term voluntary services. The following services are currently available through DHMH:

- The Community-Options Waiver
- Community First Choice
- The Brain Injury Waiver
- The Community Pathways Waiver
- the Medical Day Care Waiver
- Community Personal Assistance Waiver
- Psychiatric Rehabilitation Program Services and Other State Plan behavioral health services.

A supports planner will monitor and ensure the implementation and adequacy of the service plan and maintain contact with participants in PRA units.

MDOD will make available the Attendant Care Program and will extend service coordination through a formal agreement with the six (6) Centers for Independent Living in Maryland to participants who may not otherwise have case management.

NOFA -PRA PROGRAM REQUIREMENTS

This NOFA is seeking applications from owners of projects with existing DHCD financing that will apply for PRA Demo (2012) and PRA (2013) funding for at least five (5) units to be rented to non-elderly households comprised of at least one (1) person with a disability. The households will be referred by DHMH or MDOD. Units must be ready for occupancy within six (6) months from date of award, though greater consideration will be given to units that are ready for immediate occupancy. Applicants will be expected to meet requirements of the Section 811 PRA Program and the applicable HUD Cooperative Agreement between HUD and DHCD.

Applications will be processed on a rolling basis and units will come on line in stages. Rent levels for units selected under this NOFA will be determined by DHCD and generally shall not exceed the applicable Section 8 Small Area Fair Market Rent or Fair Market Rent (FMR) levels as published by HUD. Rents can only be adjusted annually based upon HUD's Operating Cost Adjustment Factor (OCAF). Tenants may not be required by regulation to pay more than 30% of their income towards rent. FMR payment standards will not exceed published FMR levels from 2014. FMRs can be found at: https://www.huduser.gov/portal/datasets/fmr.html

DHCD and the successful applicant owner will enter in to a 30-year Use Agreement and a 20-year Rental Assistance Contract (RAC) for the funding awarded to the project. The initial term of the RAC between DHCD and the eligible multifamily property owner shall have a minimum term of 20 years. At the time a RAC is executed, DHCD will commit PRA funding sufficient to cover the estimated subsidy for the unit for five (5) years. Financial support from HUD following initial funding is subject to available appropriations. If Congress fails to appropriate funds adequate to meet the future financial needs of the Cooperative Agreement and the Cooperative Agreement is terminated, HUD will not require DHCD to enforce any Use Agreement on eligible multifamily properties covered under a RAC.

The applicant must submit two copies of the completed application along with additional supporting documentation as specified in this NOFA.

The application may be accessed at:

http://dhcd.maryland.gov/HousingDevelopment/Pages/section811/Section811.aspx.

I. Eligible Applicants

Non-profit and for-profit property owners of <u>non-age restricted properties</u> currently in DHCD's multifamily portfolio and located within Maryland are encouraged to apply. Please Note: an applicant will not be eligible if any of the following exist or have occurred with respect to such applicant's owner, sponsor or management agent:

• Consistent failure to provide documentation required by DHCD in connection with loan applications or management and operation of other existing projects;

- A current limited denial of participation from the U.S. Department of Housing and Urban Development (HUD);
- A debarment, suspension, or voluntarily exclusion from participation in any federal or state program;
- Demonstrated history or pattern of non-corrected serious health and safety issues as documented by IRS form(s) 8823;
- Unpaid fees, loan arrearages, or other obligations due to DHCD on any other projects; or
- Found by any state or federal agency or court of competent jurisdiction to have acted in violation of the Fair Housing Act, the Civil Rights Act or any other state or federal law prohibiting discrimination with the previous five years.

II. Property Requirements

Eligible properties: The applicant's non-age restricted project must be currently in DHCD's multifamily portfolio and located within Maryland.

Other limitations: PRA funding may not be used for any unit with an existing occupancy or use restriction for persons with disabilities. In addition, units are not eligible to receive PRA funds if such units received any form of long-term operating housing subsidy within a six-month period prior to the award of PRA funds. No more than 25% of the total units in a project, including the PRA units, in a property can be (1) provided PRA rental assistance payments; (2) restricted to supportive housing for persons with disabilities; or (3) have any occupancy preference for persons with disabilities. Please **PRA** 305c see http://dhcd.maryland.gov/HousingDevelopment/Documents/section811/Exhibit5.pdf

III. Compliance with Fair Housing and Civil Rights Laws

Owners of eligible multifamily properties must comply with fair housing and civil rights requirements in 24 CFR 5.105(a), including but not limited to, the Fair Housing Act; Title VI of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; Title II of the American Disabilities Act; Section 109 of the Housing and Community Development Act of 1974.

A. Integrated Housing

Eligible multifamily property owners must adopt actions and procedures to ensure the PRA assisted units are dispersed and integrated within the property. The units must not be segregated to one area of a building (such as on a particular floor or part of a floor in a building or in certain sections within a project. In addition, all communication to residents of the assisted property is provided in a manner that is effective for persons with hearing, visual and other communications-related disabilities consistent with Section 504 of the Rehabilitation Act of

1973 and, as applicable, the Americans with Disabilities Act, including providing information in languages other than English.

B. Barrier Free/Accessibility Requirement for Units, Buildings, and Facilities, Including Public and Common Use Areas

Eligible multifamily properties must meet accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act. In addition, PRA units must meet the design and construction requirements of the Fair Housing Act and 24 CFR part 100. Assisted units can consist of a mix of accessible units for those persons with physical disabilities and non-accessible units for those persons without physical disabilities.

IV. Uniform Physical Construction Standards (UPCS)

Property owners must agree to periodic physical inspections consistent with UPCS. These inspections will be performed in conjunction with inspections already performed by DHCD and its agents to the extent feasible and practical.

V. Environmental requirements

A. Phase I Report

All properties that will have PRA assisted units must have a Phase I Environmental Report, complying with ASTM E 1527-05 (or most recent edition) and ASTM E 2600-10 (or most recent edition) requirements, prepared within a year, and updated within six (6) months, of the date the property was acquired or the date of the last real estate transaction (construction, rehabilitation, or refinancing). If the Phase I report complies with ASTM E 1527-05 but did not include a vapor screen in accordance with ASTM E 2600-10, a vapor screen must be performed. Please note: Existing properties that are currently HUD-assisted (HOME funds/CDBG) or HUD-insured (FHA Insurance) and that will not engage in activities with physical impacts or changes beyond routine maintenance activities or minimal repairs are not required to provide a Phase I Environmental Report.

B. Lead-Based Paint

The Lead Safe Housing Rule (specifically 24 CFR 35, subparts B, H, and R) see: http://portal.hud.gov/HUD?src=/program_offices/healthy_homes/enforcement/lshr applies to project-based rental assistance of pre-1978 housing for persons with disabilities when a child of less than 6 years of age resides or is expected to reside in such housing.

All projects originally constructed before 1978 must be certified by the Maryland Department of the Environment (MDE) as lead-safe and meet HUD/EPA clearance standards. In addition, all projects constructed before 1978 must also be registered with MDE's lead poisoning prevention program.

VI. Owner Responsibilities

A. Affirmative Fair Housing Marketing Plan

The owner is responsible for all management functions including screening of eligible applicants referred by MDOD or DHMH. All referrals as well as owner screening must comply with the Grantee's Affirmative Fair Housing Marketing Plan (HUD-92243-PRA) as submitted to HUD as part of the Cooperative Agreement and all HUD Fair Housing and Equal Opportunity requirements. The purpose of the plan and requirements is to assure that eligible families in the same housing market areas have an equal opportunity to apply and be selected for an assisted unit regardless of their race, color, national origin, religion, sex, disability, or familial status.

B. Tenant Selection

The owner must accept referrals of eligible applicants from MDOD/DHMH if the owner determines the tenant to be eligible pursuant to the owner's DHCD-approved tenant selection plan. Upon request of DHCD or HUD, the owner must furnish copies of all applications to DHCD and/or HUD. Please see PRA 403a at

http://dhcd.maryland.gov/HousingDevelopment/Documents/section811/Exhibit5.pdf

The owner is responsible for:

- obtaining and verifying information related to Social Security Numbers for eligible family members
- obtaining and verifying income though the use of the Enterprise Income Verification (EIV),
- obtaining and verifying information related to household income eligibility of prospective tenants
- preventing crime in assisted units, including the denial of admission to persons engaged in criminal activity or with certain criminal histories
- complying with protections for victims of domestic violence, dating violence, sexual assault, or stalking
- complying with all other applicable requirements, including but not limited the RAC, Project Rental Assistance Program Guidelines, and any other HUD administrative requirements

If the owner determines that an applicant tenant is ineligible on the basis of income or family composition, or because of failure to meet the disclosure and verification requirements for Social

Security numbers, or because of failure by an applicant to sign and submit consent forms for the obtaining of wage and claim information from the State Wage Information Collection Agencies, or for any other reasons, the owner must promptly notify the applicant in writing of the determination and its reasons, and that the applicant has the right to meet with the Owner (or Owner's designee) and has the right to request a reasonable accommodation. The applicant may also exercise other rights if the applicant believes that he or she is being discriminated against on the basis of race, color, national origin, religion, sex, disability or familial status. Records on applicants and approved eligible families, which provide racial, ethnic, gender and place of previous residency data required by HUD, must be maintained and retained for three (3) years.

VII. TRACS

HUD's Tenant Rental Assistance Certification System (TRACS) is the HUD system that will be used to process voucher payments to Property owners. Property owners will be required to ensure that tenant data is entered into TRACS. TRACS is a HUD computer system developed to help improve financial controls over assisted housing programs by automating manual procedures and incorporating automated controls.

Owners are required to follow all applicable requirements found in HUD Handbook 4350.3 REV-1, Hosting Notices, regulations, and statutes.

VIII. Lease Requirements

Owners must use the HUD 811 PRA Lease and required addenda. The Lease Agreement is found at: http://dhcd.maryland.gov/HousingDevelopment/Documents/section811/Exhibit11.pdf. The required Addendum to Lease: Extended Absence due to Medical Concerns can be found at: http://dhcd.maryland.gov/HousingDevelopment/Pages/section811/Section811.aspx

IX. Selection Criteria

All proposals submitted for consideration will be ranked and scored, based on the criteria below.

Threshold Criteria	
Property is a <u>non-age restricted property</u> currently in DHCD's existing multifamily portfolio	
Owner/Management company has experience with assisted housing programs such as Project-based rental assistance with HUD or other such assistance or with TRACS or similar reporting program.	
Application identifies 1 and/or 2 bedroom units for participation and the total number of units does not exceed the 25% limit on units with occupancy restrictions for PWDs	
Property meets all PRA Program requirements.	
Selection Criteria	
Property is located in area with close proximity to public facilities, sources of employment and services, including health, education and recreational facilities.	
Property is located in a Transit Oriented Development (TOD), which means an area that involves property any part of which is located (a) in an area that is part of a MDOT-designated TOD; (b) within one-half mile of the passenger boarding and alighting location of:a planned or existing transit rail stop or station or two separate bus lines where passengers can transfer from one line to another; (c) within one mile radius of a passenger boarding and alighting location of a planned or existing bus or transit rail stop or station for a project located in a rural area or Community of opportunity; or (d) in a transit-proximate development that promotes walkability and/or is bike friendly land use with a WALK Score of 50 or greater (www.walkscore.com). Property is currently HUD-assisted or HUD-insured.	
MDOD/DHMH wait list indicates an anticipated strong need for the units over time.	

Submission Deadline

Applications will be accepted on a rolling basis.

Multifamily Housing Maryland Department of Housing and Community Development 7800 Harkins Road Lanham, Maryland 20706

Notice of Funding Availability Section 811 PRA Program

If you have any questions concerning the scope of services, contact Shalonda Manuel, MD DHCD, 7800 Harkins Road, Lanham, MD 20706, or Shalonda.Manuel@Maryland.gov, or 301-429-7711.

Application Submission Checklist:

Please submit two (2) copies of the following:

- 1. Application (Attached as Exhibit A)
- 2. Property Information:
 - a. Operating statements for the most recent three years
 - b. Pictures of site and unit types
 - c. MDE Lead Poisoning Prevention Program registration, if applicable
- 3. Certifications (attached as Exhibit B)

Exhibit A

Application

Application

pe of Funding Requested:				
ection 811 PRA Program				
t 1 - Applicant's Information				
Applicant Name:				
D & B Number:				
Owner/Sponsor Name:				
Contact Name:			Position/Title:	
Mailing Address:				
City:	State:	Zip Code:	County	
Phone:		Email:		
D & B Number:				
Contact Name:		Position/Tit	le:	
Phone:		Email:		
********	·*******	*******	*********	***
Mgmt. Company:				_
Mgmt. Company D & B Numb	oer:			
Mgmt. Company Contact:		I	Position/Title:	
Mgmt. Company Address:				
City:	State:	Zip Code:	County:	

^{*}Only affordable multifamily projects currently in DHCD's rental housing portfolio may receive funding under this program. "Affordable" means rental housing with existing income or rent restrictions, or units that serve tenants with low to moderate incomes, as determined by DHCD. DHCD may require a copy of the regulatory agreement, or other documentation demonstrating affordability.

Part 2a - Project Information

Project Name:			
Address:			
City:	State:	Zip Code:	County
No. of Buildings:	_ Total No. o	of Units:	Total Sq. Footage:
Year Project was built:		Project Age:	
********	*******	******	************
Financing Information:			
Existing Mortgage(s):			
Lender:			
Lien Position:			
FHA Insured		_	
Lender:			
Lien Position:			
Source: HOME	_ CDBG:	Other:	
Lender:			
Lien Position:			
Source: HOME	_ CDBG:	Other:	
Lender:			
Lien Position:			
Source: HOME	CDBG:	Other:	

Part 2B - Project Description

Please provide a description of the property including proximity to public transportation, amenities, and tenant services. Please provide maps of bus stops/transit and location of site. Nearest public transportation option (in miles):_____ MARC Other: ____ Type of public transportation: Bus Subway Light Rail **Property Amenities:** ☐Fitness Center ☐ Washer/dryer on-site □Elevator □Pool ☐ Business Center □ Other: _____ ☐ Washer/Dryer in unit □Other: ☐ Community Room Please describe the available tenant services: Please mark which utilities are paid by the Tenant: Household Cooking \Box (describe): ☐ Electric ☐ Air Conditioning ☐ Heat (describe): Other Hot Water ☐ (describe): \square (describe):

Current Occupancy and Vacancy:

Please complete the chart below indicating the number of vacant and occupied units by bedroom size. In a statement, please indicate which vacant and occupied units are UFAS. Please provide copies of all of the floor plans offered at the project.

	Unit Size				
	0	1	2	3	4
Occupied					
Vacant					
Total					

Part 3-Building Description (Please provide for each building in the project.)

Building #: Address:	
Year Constructed:	Year last rehabbed:
No. of UFAS Units:	No. of Adaptable Units:
**********	****************
Building #: Address:	
Year Constructed:	Year last rehabbed:
No. of UFAS Units:	No. of Adaptable Units:
************	******************
Building #: Address:	
Year Constructed:	Year last rehabbed:
No. of UFAS Units:	No. of Adaptable Units:
************	*******************
Building #: Address:	
Year Constructed:	Year last rehabbed:
No. of UFAS Units:	No. of Adaptable Units:

****************	***************
Building #: Address:	
Year Constructed:	Year last rehabbed:
No. of UFAS Units:	No. of Adaptable Units:
****************	****************
Building #: Address:	
Year Constructed:	Year last rehabbed:
No. of UFAS Units:	No. of Adaptable Units:
Please add additional pages as need	ded.
Part 4- Number of Section 811 PRA Units	Reguested
Total Number of Requested Units:	
One bedroom units:	Two bedroom units:
Total Number of Units at the property	y:
Total Number of Units with a restrict	tion for persons with a disability:
Total Number of Units receiving Proj	ject Based Rental Assistance Payments:

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Part 5- Applicant Signature

follows (include all that app	oly):
Number of Request	red Section 811 PRA Program Units
	BY:
	Name:
	Title:

The undersigned applicant hereby makes application to DHCD for Section 811 PRA Program, as

Please return completed forms and supporting documentation to:

Attn: Section 811 PRA Program
Multifamily Housing Programs
Community Development Administration
Maryland Department of Housing and Community Development
7800 Harkins Road
Lanham, Maryland 20706

Tel: (301) 429-7854 Toll Free (Maryland Only): 800-543-4505 E-mail:Shalonda.Manuel@Maryland.gov

Exhibit C Certifications

CERTIFICATIONS

The undersigned applicant ("Applicant") hereby makes application to the Maryland Department of Housing and Community Development (the "Department") for Section 811 Project Based Rental Assistance ("PRA") funds pursuant the Department's PRA program (the "PRA Program") and agrees to the following certifications.

LOAN REQUIREMENTS

The undersigned acknowledges that the PRA funds will be governed by a recorded Use Agreement on the property. The undersigned certifies that rental units supported with the PRA funds will be rented to eligible households within the income limits set by the Department for the specific period.

NONDISCRIMINATION

A. Applicant may not discriminate against a person on the basis of race, color, religion, national origin, sex, marital status, physical or mental handicap, sexual orientation, or age, except with regard to age as permitted under the federal Housing for Older Persons Act, as amended from time to time, or other similar Federal laws in leasing or otherwise providing dwelling accommodations or in any other aspect of the development, administration, or operation of any project financed or assisted under the PRA Program, or in any aspect of employment by any sponsor in the construction, repair, or maintenance of any project financed or assisted under the PRA Program.

- B. Applicant shall comply with all applicable federal, State, and local laws and Department policies and programs regarding discrimination and equal opportunity in employment, housing, credit practices, and drug and alcohol free workplaces, including:
- (1) Titles VI and VII of the Civil Rights Act of 1964, as amended;
- (2) Title VIII of the Civil Rights Acts of 1968, as amended;
- (3) The Fair Housing Amendments Act of 1988, as amended;
- (4) Title 20 of the State Government Article, Annotated Code of Maryland, as amended;
- (5) The Department's Minority Business Enterprise Program, as amended;
- (6) The Governor's Executive Order 01.01.1989.18 relating to Drug and Alcohol Free Workplaces, and any Department or State regulations adopted or to be adopted to carry out the requirements of that Order; and

- (7) The Americans with Disabilities Act of 1990, as amended.
- C. Covenants implementing these requirements, including affirmative action measures, may be included in appropriate agreements between the Department and Applicant.

ACCESS TO PUBLIC ACT NOTICE AND WAIVER

Applicants should give specific attention to the identification of information furnished to the Department under this application which they deem confidential, commercial or financial information, proprietary information, or trade secrets and provide any justification of why this information should not be disclosed under the Maryland Access to Public Records Act as set forth in Title 10, Subtitle 6, Part III of the State Government Article of the Annotated Code of Maryland. Applicants are advised that, upon request from a third party, the Department is required to make an independent determination as to whether the information may or must be divulged to that party.

This information will be disclosed to appropriate staff of the Department or the public officials for purposes directly connected with the administration of the programs for which its use is intended. Such information may be shared with State, Federal or local government agencies that have a financial role on the project.

GENERAL

The undersigned hereby certifies that the information set forth herein and in any attachments in support hereof is true, correct, and complete to the best of his/her/its knowledge and belief. The undersigned authorizes the Department to obtain credit information for the purpose of evaluating this application.

IN WIT	NESS WHEREOF	Replicant has caused this document to be duly executed in	n its
name of this	day of	, 20	
		(Full legal name of Applicant)	
		Signature:	
		Nama	
		Name:	
		Title	