



**BALTIMORE COUNTY, MARYLAND**

# **ATTAINABLE HOUSING**

# **Development Guide**

**Department of Housing and Community Development  
Housing Finance & Opportunities  
Development Finance Program**

The Jefferson Building  
105 West Chesapeake Avenue, Suite 201  
Baltimore, Maryland 21204  
410-887-6055  
[dhcdrfa@baltimorecountymd.gov](mailto:dhcdrfa@baltimorecountymd.gov)



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# Introduction

Baltimore County's Attainable Housing Development Guide ("Development Guide") is designed for a broad range of development partners and organizations including large for-profit and nonprofit real estate developers, community development organizations, smaller emerging developers and other interested stakeholders. The purpose of the Development Guide is to provide an overview of the funding sources offered by Baltimore County and provide details and guidance of the loan application process, guidelines, and requirements in obtaining financial assistance to acquire, develop, and/or rehabilitate affordable multifamily housing or scattered site housing in Baltimore County, Maryland. The Development Guide outlines the information and documents necessary to apply for financing, the requirements and criteria that the County will use in awarding and managing financial assistance for qualified housing developments, as well as post-closing requirements.

Baltimore County is committed to affirmatively furthering fair housing and provides priority funding for projects that create and preserve affordable housing for low-to-moderate income families in all neighborhoods to promote economic mobility, provide access to quality education, health care, transit connections and that are guided by intentional strategies to achieve affirmative fair housing and eliminate social and racial inequities.

Primarily through the Department of Housing and Community Development ("DHCD"), established in 2021 to implement the strategy for the development of new affordable housing and preservation of existing units, the County funds its affordable housing initiatives by using its Housing Opportunities Fund, State financing, the federal Community Development Block Grant ("CDBG") and HOME Investment Partnerships ("HOME") funds. This funding is used to facilitate new construction and/or rehabilitation of housing that is affordable, environmentally safe, and accessible for individual and family renters with incomes ranging from at or below 30% of Area Medium Income ("AMI") to 100% of AMI depending on the loan program. DHCD may, from time to time, establish new development financing programs to advance its mission. With the passage of the American Recovery Program Act ("ARPA") legislation, the County has an additional funding source to provide financing for, among other things, the development and preservation of affordable housing.

DHCD provides gap financing to assist developers in the creation and preservation of affordable housing. Gap financing is used to fund the gap or shortfall in the funding of development costs. Developers are encouraged to pursue all funding sources available so as not to rely on Baltimore County financing as a primary or sole source of project financing. Baltimore County offers lower cost financing typically structured as second mortgage soft loans with interest rates generally ranging between 1% and 3% and loan payments generally based on surplus cash flow, as well as Payment In Lieu of Taxes ("PILOT"). A PILOT lowers property tax payments by establishing an initial payment of real estate taxes below the current tax levels. The terms of the PILOT may vary depending on the needs the project with payments as low as \$300 per unit per year escalating annually and terms ranging from 10 to 20 years. A request for a PILOT requires a resolution approved by the County Council before it may be executed.

Qualified improvements to property in the County's [Commercial Revitalization Districts](#) may entitle owners to five or ten-year credits on their Baltimore County Real Property taxes.

Baltimore County offers the following County-administered resources that will be available to fund affordable developments:

- HOME Investment Partnerships (HOME)
- HOME Investment Partnerships American Rescue Plan Program (HOME-ARP)
- Community Development Block Grant (CDBG)
- 2021 American Rescue Plan Act (ARPA)
- The Housing Opportunities Fund
- Project-Based Voucher (PBV) Program
- Payment in Lieu of Taxes (PILOT)

The following chart provides details of Baltimore County's loan programs.

County Loan Programs				
Funding Programs	HOME	CDBG	HOF	
			VCA	ARPA
General Description	Baltimore County receives an annual allocation of HOME funds to be used to provide second mortgage gap financing for activities including acquiring, building and, or rehabilitating affordable rental housing. HOME is the largest federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.	Baltimore County receives an annual allocation of CDBG funds to be used to provide second mortgage gap financing. The CDBG program is a flexible funding source and can be used to fund activities including housing rehabilitation, housing development financing, small business technical assistance and neighborhood revitalization projects.	Baltimore County entered into a Conciliation Agreement and Voluntary Compliance Agreement ("VCA") with HUD and several complainants in March 2016. A goal of the program is to provide 1,000 Hard Units over a 12-year period. To accomplish this goal, the County has set aside funding of \$3,000,000 per year totaling \$30,000,000 to leverage financing for the creation of Hard Units in affordable housing developments.	In response to the Corona Virus, Congress passed The American Rescue Plan Act of 2021 ("American Rescue Plan" or "ARPA") to provide economic stimulus to the American people, to rescue the American economy, and start to address the virus. Baltimore County received an allocation of ARPA funds and has made available \$16,000,000 to be applied to affordable single family and multifamily development.
Eligible Projects	HOME funds may be used to finance the acquisition, construction and or rehabilitation of affordable rental or multifamily housing, and special needs housing.	HOME funds may be used to finance infrastructure, predevelopment, acquisition, construction and or rehabilitation of affordable rental or multifamily housing, and special needs	Hard Units including new construction or preservation of affordable multifamily housing in VCA eligible areas. See DHCD Funding Priorities for more information VCA eligible projects and Hard units.	
Purpose/ Use of Proceeds:	Predevelopment and 2 <sup>nd</sup> Mortgage Gap	Infrastructure, Predevelopment, Acquisition, Construction and Renovation 2 <sup>nd</sup> Mortgage Gap	Predevelopment, Construction and Renovation with 2 <sup>nd</sup> Mortgage Gap Financing.	Predevelopment, Soft Costs, Construction and Renovation with 2 <sup>nd</sup> Mortgage Gap Financing for
Affordability/ Eligibility:	50% and 60% of Area Median Income ("AMI") with a term of at least 20 years. At least twenty percent (20%) of all HOME Units must be affordable to households with income at or below 50% of AMI ("Low HOME Units").	80% of Area Median Income ("AMI") with a term of at least 20 years.	60% of Area Median Income ("AMI") with a term of at least 20 years.	100% of Area Median Income ("AMI") for a term of at least 15 years.
<b>*Loan Terms</b>				
Loan Amount:	up to \$3,000,000	up to \$2,500,000	up to \$5,000,000	up to \$5,000,000
Interest Rate:	3%	3%	3%	3%
Loan Term:	30 to 40 years	30 to 40 years	flexible, co-terminus with 1st loans	30 to 40 years, co-terminus with 1st
Repayment	Surplus Cash Flow	Surplus Cash Flow	Surplus Cash Flow	Flexible
Structure:	Non-Recourse	Non-Recourse	Non-Recourse	Non-Recourse
Recourse:	Subordinated loan, 2 <sup>nd</sup> Lien Position	Subordinated loan, 2 <sup>nd</sup> Lien Position	Subordinated loan, 2 <sup>nd</sup> Lien Position	Subordinated loan, 2 <sup>nd</sup> Lien Position
Collateral Position:	Second Mortgage Loan	Second Mortgage Loan	Second Mortgage Loan	Second Mortgage Loan
* the above are standard loan terms, exceptions are subject to Department discretion				

# DHCD Funding Priorities

## Attainable Housing

To ensure that housing in Baltimore County is attainable for anyone who desires to make the jurisdiction their home, DHCD generally seeks affordable housing proposals (preservation and/or production) that align with the County's affordable housing goals including, but not limited to, the following:

1. Family-Oriented Units – 3+ bedrooms.
2. Income Levels served at or below 60% of AMI, with further prioritization of those at or below 30% AMI.
3. Housing Opportunities for Persons with Disabilities (“HOPWA”).
4. UFAS Eligible or Accessible Units. UFAS or Uniform Federal Accessibility Standards provides uniform standards for the design, construction, and alteration of buildings so that physically handicapped persons will have ready access to and use them in accordance with the architect. Accessible Units refers to an accessible rental housing unit that meets the persons with disabilities requirements of the State Building Code.
5. VCA Eligible and Areas of Opportunity.
6. Affordability Period from 15 to 30+ years depending on the funding program.
7. Emerging Developers – developers with little experience in the development of affordable multifamily housing and will likely require training, guidance, consulting services, among other needs, to complete an affordable housing development.
8. Small, Faith-Based, BIPOC, or Female-Led Partners.
9. Innovative Affordable Housing Solutions – Affordable housing that does more than provide nice, quality affordable housing – for example affordable housing that incorporates sustainable features that reduce the cost of construction, operating expenses, energy efficiency, and technologies that empower residents to connect them to outside resources.
10. Integrated Permanent Supportive Housing (PSH) – Permanent housing in which housing assistance (e.g., long-term rental assistance such as PB Section 8) and supportive services are provided to assist households with a disability in achieving housing stability.
11. Mixed-Income – Housing which includes units preserved at a variety of income levels.
12. Mixed-Use & Amenities – Housing which is built in tandem with other uses and/or amenities intended to improve and uplift the sense of community for new units as well as surrounding neighborhoods.

## Voluntary Compliance Agreement (“VCA”)

Baltimore County's funding priorities change from time to time. In the most recently issued Request for Applications 2024-01 (“RFA”), the County is focused on satisfying the Conciliation Agreement and Voluntary Compliance Agreement (“VCA”) housing production requirements as more fully described below.

Baltimore County entered into a Conciliation Agreement and Voluntary Compliance Agreement (“VCA”) with the US Department of Housing and Urban Development (“HUD”) and several Complainants in March 2016 related to discriminatory housing practices. As part of its agreement to affirmatively further fair housing, the County agreed to provide more affordable rental housing for families in the County. Specifically, it agreed to provide 1,000 affordable “Hard Units” in specified census tracts over a 12-year period from 2016 to 2028. A Hard Unit is defined as **a unit reserved for a household at or below sixty (60) percent of Area Median Income (“AMI”)**, created through new construction, substantial renovation, or acquisition and preservation of existing housing stock. To accomplish this goal, the County will provide low-cost financing and other resources, such as a Payment In Lieu of Taxes (PILOT) agreement, if necessary, to developers to create

the remainder of the Hard Units.

## VCA Affordable Hard Unit Requirement Details

- **Total Units:** The County is required to take all necessary steps to cause the development of 1,000 Hard Units.
- **Hard Unit Subcategories:** Among the 1,000 Hard Units, a certain number of units must also meet the requirements of certain subcategories, as explained below. A single Hard Unit is able to meet the requirement of multiple subcategories.
  - **30% AMI Affordability Requirements:** At least thirty (30) percent of the Hard Units developed will be affordable to and occupied by households with incomes at or below thirty (30) percent of AMI.
  - **Three Bedroom Units:** At least 500 of the 1,000 Hard Units shall contain three or more bedrooms affordable to and occupied by households with incomes at or below sixty (60) percent of AMI.
  - **Accessible Units:** At least one hundred (100) of the Hard Units will be Accessible Units which comply with the requirements in the Uniform Federal Accessibility Standards (UFAS) affordable to and occupied by households with incomes at or below sixty (60) percent of AMI.
- **Location – Census Tracts:** Hard Units may only be placed in specific census tracts, as identified in Exhibit F, Table A and B. Census tracts are associated with the 2010 census tract map. For the purposes of this RFA, the County will only be accepting applications for projects located in the census tracts identified in Table A.
- **Location – Distribution:** Hard Units shall be distributed throughout the census tracts listed in Exhibit F, Table A and B. For the purposes of this RFA, the County will provide priority consideration to projects located in census tracts where a limited number of approved Hard Units are currently located, as detailed below.

We encourage interested applicants to read the [VCA](#) to fully understand the requirements. To view a map outlining the VCA Eligible Areas, see Appendix A.

## Application Process and Timeline

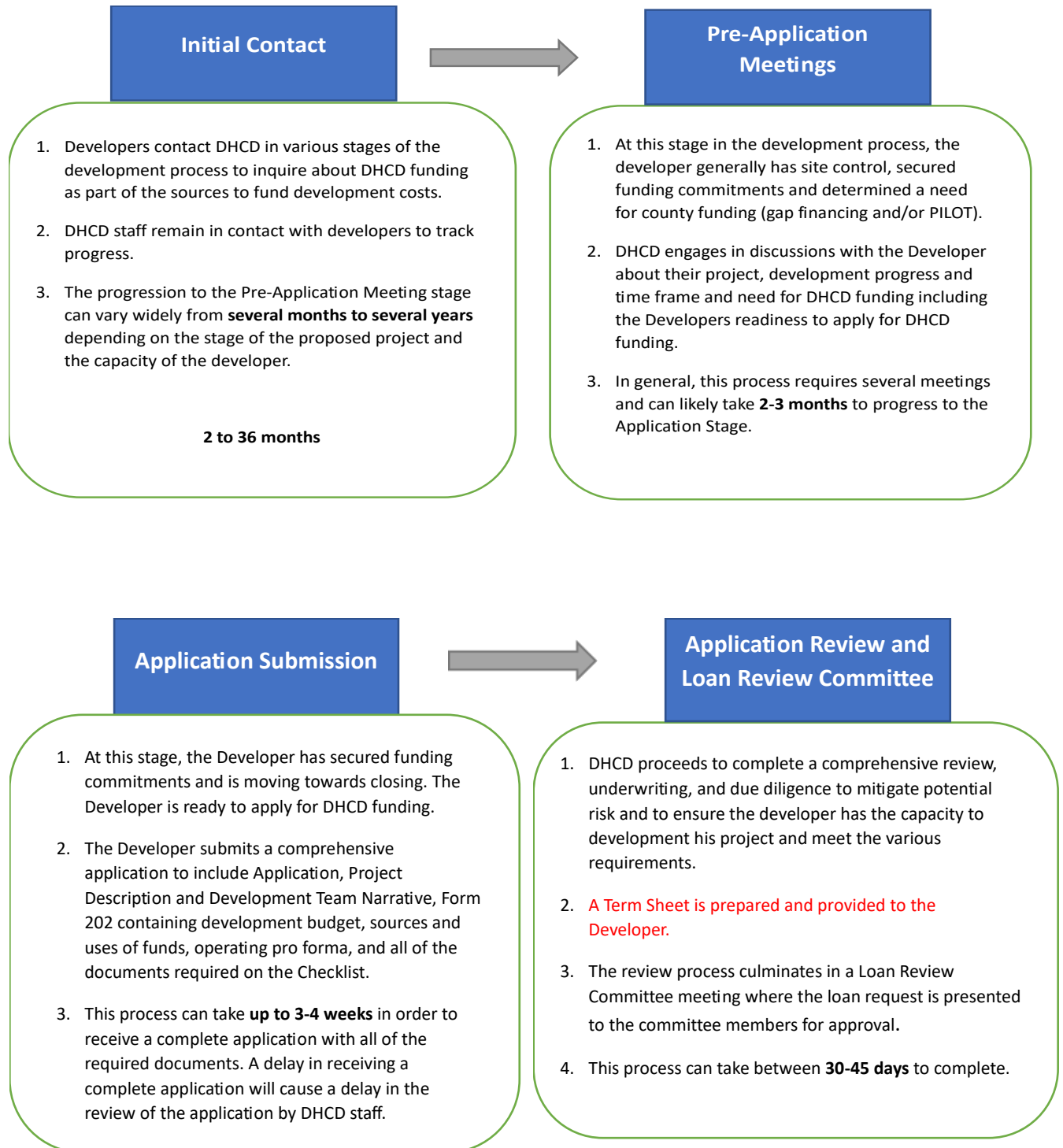
Baltimore County offers a rolling application process for the County-administered resources. Completed Applications and required attachments are required to be submitted electronically to the following email address: [dhcdrfa@baltimorecountymd.gov](mailto:dhcdrfa@baltimorecountymd.gov). Additionally, one original and five copies of the project Application are required, including all required attachments, to be delivered to the Jefferson Building, 105 W. Chesapeake Avenue, Suite 201. Incomplete submissions will not be considered for review and will be returned.

Applications for Financial Assistance will be reviewed on a rolling, case by case basis. The Application process is comprised of several phases.

1. Pre-Application Meeting
2. Application Submission
3. Application Review & Approval

Below is a flow chart of the Application process from applicant's initial contact with DHCD to loan approval.

## Process Flow and Timeline from Initial Contact





## 1. Pre-Application Meeting

Prior to the submission of an application, the developer is required to contact the Housing Opportunities & Finance Division within DHCD to schedule a meeting with relevant staff. Appointments can be made by calling (410) 887-6055 or contacting Marcia Williams at [mdwilliams@baltimorecountymd.gov](mailto:mdwilliams@baltimorecountymd.gov). The purpose of the meeting is to exchange information about the project and the review process. The developer will discuss the proposed project, the need for funding assistance, and anticipated timelines; the developer should provide as much supporting documentation in advance of the meeting as needed to assist the County in understanding the request. DHCD staff will provide feedback concerning viability and eligibility for funding and a recommendation to proceed with the application process. DHCD staff will review key elements of the submission requirements, possible funding sources, loan review process, general timelines, and county and federal requirements.

DHCD, working closely with the Baltimore County Office of Law, administers the various financial programs for affordable housing. The development review and permitting process is administered by the Department of Permits, Approval, and Inspections. For new development projects, it is highly recommended that Developers attend a Pre-Concept Plan Conference in which various County representatives involved in the development review process meet weekly to provide preliminary guidance and information to prospective developers. To schedule a conference, call (410) 887-3335. View the information about the County's [Development Review Process](#).

## 2. Application Submission

The developer will submit a completed application to DHCD which include the Application, Development Budget ([Form 202](#)), Project Description and Development Team Narrative, and Application Checklist of information and documents. The Application submission will also include a non-refundable application fee (\$500 payable to Baltimore County).

## 3. Application Review and Approval

Once an applicant submits an application for funding request, DHCD will review the application thoroughly to ensure the application is comprehensive, inclusive of all basic requirements, satisfies the underwriting criteria, and addresses any risks. The underwriting process includes a thorough review of the Form 202, which includes the development budget, pro forma, sources and uses of funds, timeline, among other things, incorporating information from third party reports such as market study, appraisal, and funding commitments to ensure the development is within DHCD underwriting guidelines and is financially feasible. After the underwriting is completed, depending upon the type of assistance requested, the Department will make a recommendation to the Grants Review Committee for projects involving grants or to the County's interagency Loan Review Committee for projects involving loans for approval. This process can generally be completed within 30-45 days.

If the applicable committee approves the request, it is then forwarded to the County Administrative Officer. If the recommendation is approved by the County Administrative Officer, the matter will then be submitted to the County Council for approval.

Typically, grants and loans are submitted to the County Council through the 7-Day Letter process or 14-Day Letter process, in which the Council is notified in writing of the County's intent to provide the grant or loan. The distinction between the 7-Day Letter process and the 14-Day process depends on the source and program associated with the grant/loan. The Council is then provided either seven (7) or fourteen (14) days in which the matter can be held for a hearing at a future Council Work Session and vote at a subsequent Council Legislative Session. If the Council declines to utilize this power, the grant or loan is deemed approved at the end of the seven- or fourteen-day period.

PILOT agreements must be submitted to the County Council in the form of a Council Resolution, which must be voted on by the County Council. A majority of the Council must vote in the



affirmative in order to approve PILOT Resolutions. This is also the case if a grant or loan submitted through the 7-Day Letter process or 14-Day letter process is held for a vote by the Council.

These processes described above can take 8 to 10 weeks, although certain loan and grant programs are eligible for an expedited review process by the County Council. The applicable process will be explained to the developer during the application review process. Please note that if the request or funding source changes during the review process, this may impact how quickly the request is able to be submitted to the Council and may require submission of an updated application.

## Application and Attachments

A complete Application will include the following: 1) Baltimore County, Maryland Application for Financial Assistance (“Application”), 2) Development Budget (also referred to as Form 202), 3) Project Description and Development Team Narrative and 4) Application Checklist.

### 1. Application for Financial Assistance

The [Application for Financial Assistance](#) is a 3-page form which contains basic information about the funding request including applicant name, entity type, purpose for request, amount requested, anticipated closing date, population served, among other information.

### 2. Development Budget (Form 202)

A Development Budget, including sources and uses of funds, construction cost breakdown, operating budget, and fifteen (15) year pro forma (for rental projects), among other tabs, is required to be submitted together with the Application. If the County is expected to finance the project for longer than 15 years, then a pro forma should be provided for the duration of the term of the County loan. The Development Budget information will be provided on [Form 202](#).

### 3. Project Description and Development Team Narrative

This section contains important information about the project, owner, development team and the developer’s capacity to complete the construction, or renovations, operate the property and satisfy all other requirements of the financial assistance. The [Project Description and Development Team](#) template should be completed and contain information listed below.

#### Project Description

Developer’s statement, briefly describing the project, including address, zoning, acreage, number and type of units (townhouse, apartments, single family detached) construction type (new, substantial rehab, existing), population served (family, senior, disabled), total number of units, total number of affordable units, unit size and bedroom numbers, accessible units, targeted household incomes, building description (number of stories, façade, commercial space, common area, other facilities (e.g. leasing and management office, gym, other community space).

1. Proposed improvements including work to be performed and anticipated hard cost.
2. For Conciliation Agreement units, include Census Tract and any additional community information, such as school performance, public transportation, employment opportunities, amenities, etc.
3. Site plans, floor plans, elevations, materials, precedents, accessibility and/or visitability features.
4. USGB LEED and Energy Star certifications or features.

5. If the proposed development project involves new construction, acquisition, or rehabilitation of affordable and/or assisted housing, explain with which applicable HUD, State and County Site requirements apply.
6. Relocation and Acquisition Strategies must be outlined, if applicable. In the event of relocation, Federal Uniform Relocation Act and Baltimore County Land Acquisition requirements will apply.
7. Area map and discussion of the area.
8. Requested loan amount and rationale for such request.
9. Market Overview summarizing market study and support and strength of market for the number of units, unit type, unit size, rents, income levels.
10. Site Requirements – evidence of Site Control, Utility Availability, Zoning, Environmental Assessments (summary of the Phase I environmental report, and Phase II report, if required).

### Development Team

Provide the name, address, telephone number, email address, and resumes of project development team members and summary of the companies including date established, experience, any projects previously completed with DHCD e.g., developer, owner, architect, construction manager, attorney, property management company, social services provider.

List consultants and general contractors expected to provide bids. Federal and County Procurement Guidelines must be followed.

Provide Developer's qualifications and experience. Include documented previous housing development experience with project cost, size, number of units, current status, and photographs. Entities must also provide an organizational structure with an Organizational Chart, showing the underlying ownership of the applicant and percentage ownership of each party, and any entity members/partners/major shareholders. Also discuss the relationship between owner and development company or sponsor.

## 4. Application Checklist

When submitting the Application, the applicant will also submit documents and information contained on the [Application Checklist](#). This information will enable DHCD to complete its underwriting and due diligence in connection with this request. If some of the information or reports are not yet available, please indicate on the Checklist.

Among the documents included on the Checklist are third party reports the Applicant will be required to provide. These reports are prepared by third parties and include, but are not limited to, the following:

1. Appraisal
  - a) Should support a LTV ratio not to exceed 100% for all loans. A waiver may be required
    - i) if the combined LTV ratio exceeds 100%.
2. Phase I Environmental Report.
3. For new construction, provide Plans and Specification.
4. For renovations, provide a Capital Needs Assessment Report, Scope of Renovations Work and Pricing.
5. Market Study
  - a) Market analysis, capture rate, penetration rate (for new construction), vacancy rates, income levels, absorption rate.
6. Affirmative Fair Housing Marketing Plan
  - a) Required for all affordable housing projects using public financing. This document is required prior to closing.

# DHCD Underwriting Criteria

The [Underwriting Guidelines](#) pertain to all applications submitted to DHCD for financial assistance. DHCD will review projects using these underwriting standards. If a project deviates from the guidelines, the Applicant must request a waiver that includes a detailed reason that the project is unable to meet the standard. This guidance ensures that consistent criterion is applied to the review and underwriting of all development finance applications submitted to DHCD.

## Guidelines

1. Rents: The low-income or affordable rents must be rent-restricted as required by the most restrictive funding source included in the deal. Developers should utilize the rent and income limits for Baltimore County. The rent levels including utility allowance must be supported by the market data present in an appraisal and market study.
2. Financing: DHCD is a gap lender, so Applicants must demonstrate that they have maximized all other financing sources before submitting their request for DHCD funding.
3. Percent of DHCD Funding: DHCD funding in a project may not exceed 25% of the total development cost. If funding is in excess of this guideline, a waiver may be required.
4. Maximum Senior Debt: All projects submitted will have senior debt with competitive terms.
5. DHCD's financing is generally structured as a cash flow contingent loan repaid from cash flow based on the following terms:
  - a. Annual interest rate of 3%, simple interest;
  - b. Term of 40 years;
  - c. Annual payments equal to 75% of cash flow, but not to exceed the amount that would be due based on a 40-year amortization schedule;
  - d. The Deed of Trust creates a second lien position, behind the 1<sup>st</sup> mortgage loan;
  - e. The outstanding balance of the loan is due and payable at loan maturity;
  - f. The affordable covenant is coterminous with the loan term and released at maturity, but not before maturity even if the loan is repaid prior to loan maturity.
  - g. The County's Payment-in-lieu of Taxes ("PILOT") are generally structured with terms ranging between 10 and 20 years. Payments generally start at \$300 per unit per year increasing 2% per year thereafter.
  - h. Operating Reserves – Operating reserves must range between three and six months of projected operating expenses and must be sufficient to cover debt service payments.
  - i. All projects should include contingency amounts for construction, soft costs and financing. The range of contingency is as follows:
    - i. 5% to 10% for new construction.
    - ii. 12% to 15% for rehabilitation, with the higher percentages for smaller projects, scattered sites, less experienced developers or contractors, or projects with known issues.
    - iii. 5% to 8% for soft costs and financing costs.
  - j. Limitation on Fees – this applies to Architectural, General Contracting, Management and Developer fees\*
    - i. Builder's Profit – 5% to 10% of the net construction costs.
    - ii. Builder's Overhead – 2% to 3% of the net construction costs (% based on size of project).
    - iii. General Conditions/Requirements – 5% to 10% of the net construction costs (% based on size of project).
    - iv. Architect Design – 2% to 6% of the construction contract (excluding contingency).
    - v. Architect Administration – 1% to 3% of the construction contract (excluding contingency).
    - vi. Construction Management – 1% to 2% of the construction contract (excluding

- contingency).
- vii. Developer Fees – 15% for fees on development costs, and 5% for fees on acquisition costs.

*\*Total development costs do not include the following: hard or soft cost contingencies, syndication related costs, funded guarantees and reserve accounts that are required by lenders or investors, and developers' fees. Any amount in excess of \$2 million shall be deferred, up to an amount that can be recovered from cash flow over 12 years of operations.*

*Net construction costs are equal to the construction contract amount less builder's profit, builder's overhead, general requirements and bond fees.*

- n. Operating Pro Forma – The Applicant must submit a minimum 20-year pro forma located in the Form 202.
- o. Operating Expenses – Annual operating expenses, including all real estate taxes but excluding replacement reserve deposits, should be no less than \$6,000 per unit per year. Waivers may be requested if the expenses per unit are not within the guidelines.
- p. Reserve for Replacements – For new construction and substantial rehab, all projects must budget a minimum annual deposit of \$300 per unit per year. For moderate rehab, a minimum of \$350 per unit is required.
- q. Vacancy Rate – All projects must be underwritten with a minimum vacancy rate of 5%. The vacancy rate must be supported by the market and verified by an appraisal and market study.
- r. Debt Service Coverage Ratio (“DSCR”) – 1.15 based on all must pay debt service and stabilized operations.
- s. All projects should be underwritten with a loan-to-value (LTV) ratio on all debt not to exceed 100% of value. A waiver may be required if the ratio is in excess of 100%.

Trending: In evaluating the long-term viability of a project, DHCD requires that rent and other revenues from the project are projected to increase no more than 2% per year. Operating expenses, including real estate taxes, are projected to increase by no less than 3% per year.

## Additional Requirements and Information

There are typically additional requirements contained in many of the County's loan programs. We encourage you to review your commitment letter and loan documents carefully for additional requirements. Below is a listing of frequently included requirements:

### 1. Davis-Bacon

Every contract for the construction or rehabilitation of 12 or more units assisted with HOME funding or 8 or more units assisted by CDBG funding must require payment of prevailing wages to all laborers and mechanics. Staff of the Housing Opportunities division can provide more specific information.

### 2. Section 3

To the greatest extent feasible, recipients of HUD funding, including their contractors, are to provide trainings and employment opportunities to low-income residents of the County and metropolitan area. Review [HUD Section 3](#) information online.

### 3. Green Building/Sustainability and Energy Related Improvements

As much as possible, the use of sustainable design and green housing techniques should be incorporated into the construction and rehabilitation of affordable housing. The use of Energy Star appliances is required and projects following US Green Building Council's LEED guidelines are

preferred. It is worth noting that projects awarded tax credits and or funded through the State of Maryland may have more specific energy-related requirements, explained in the Multifamily Rental Financing Program Guide Attachment to Maryland Qualified Allocation Plan for the Allocation of Federal Low Income Housing Tax Credits.

The County offers several incentive programs to promote sustainable and energy efficient development, including Property Assessed Clean Energy (PACE) loans, high performance building tax credits, and energy conservation devices tax credits. View available options at [Baltimore County's Sustainable Resources for Residents and Businesses](#).

#### **4. Accessibility and Visitability**

Developers are strongly encouraged to create projects/communities that are accessible and also models of visitability or ease of access with people with disabilities. Architectural Barriers Act, 42 U.S.C. 4151-4157.

#### **5. Fair Housing Marketing Plans**

Fair housing marketing plans are required for all affordable housing projects that use public/federal financing. Projects in accordance with the Conciliation Agreement have different content and reporting requirements than those required under other federal programs. All marketing plans should be submitted prior to closing. The Fair Housing Staff at DHCD should be contacted for specific guidance. See [www.baltimorecountymd.gov/departments/housing/fair-housing](http://www.baltimorecountymd.gov/departments/housing/fair-housing)

For projects qualifying for the VCA, the developments must include a Conciliation Agreement Marketing Plan (CAMP). The CAMP is a marketing proposal and a standing MOU with Baltimore County DHCD which aims to inform the public about available housing resources funded by County general funds, promoting choice, integration, and expanded housing opportunities, as outlined in the VCA. The CAMP's proposal must target specific demographic groups, including African-American families with children using Housing Choice Vouchers, those with incomes below 60% of AMI, and families needing accessible housing due to disability. Developers must initially submit a complete CAMP to DHCD for review, ensuring compliance with VCA requirements and HUD's guidelines. Upon authorization, DHCD directs the developer to submit the CAMP to HUD FHEO for final review. Approved CAMPs must be implemented for a minimum of 30 days before the lease-up phase, with any premature activities subject to penalties. The MOU requires that CAMP activities continue throughout the affordability of the project.

#### **6. Suspension/Disbarment**

HOME, CDBG, or other federal funding may not be provided to any individual or entity that is presently disbarred, suspended, proposed for disbarment, declared ineligible, subject to limited denial of participation or voluntarily excluded from participation in federally funded programs.

DHCD prohibits contracting with or making sub-awards under covered transactions to parties that are suspended or debarred, or whose principals are suspended or debarred by the federal government. The Department will require compliance with all federal regulations and will review the Federal System for Award Management (SAM), to determine a contractor's/ subcontractor's eligibility for participation in the HOME program or any other federal program.

#### **7. Minority and Women's Business Enterprise (MBE and WBE) Participation**

Baltimore County strongly supports minority business participation. The County goals are a minimum of 15% minority and 2% women owned business participation.

#### **8. Local Prevailing Wage Provisions**

Projects that receive funding from Baltimore County must meet the County's [Prevailing Wage and Local Hiring Law](#).

# Process and Timeline from Loan Approval to Post Closing

## Loan Documentation and Settlement

If approved by County Council, the Office of Law will prepare the appropriate documents for closing. For loans, this may include a commitment letter, loan agreement, declaration of covenants, security instruments (such as deed of trust and/or financing statements) and promissory note. This generally takes 30-60 days. Once completed, the loan documents will be submitted to the Director of DHCD, the Director of Budget and Finance and the County Administrative Officer for execution. This process can take 10 to 30 days to complete. Once the documents have been executed by the County, they will be delivered to the closing attorney or title company for execution by the other parties and for recording in the Land Records, as applicable.

If, during this time, the Developer is engaging in discussions with other lenders that might impact the County's financial participation, lien position or documents, the Developer is responsible for keeping the County apprised of such discussions. Any such participation, however, should not be taken to indicate County approval, until the matter has been approved by the appropriate County Council action and the documents executed by the County Administrative Officer.

## Post-Closing – Construction, Lease-up, Monitoring and Reporting

1. Pre-Construction Meeting
  - a) The purpose for this meeting is to ensure the developer is aware of and equipped to satisfy the various requirements in the commitment letter and loan documents, as well as coordinate in the review of construction progress and the draw process.
2. Construction Conference - Time required: 2 hours
  - a) All parties meet. DHCD reviews draw procedure, inspections during construction, submission/approval of change orders, etc.
3. Inspections During Construction
  - a) Regardless of inspections performed by others, DHCD's inspector will visit the project every two (2) weeks. The visit will be coordinated with normal inspections and draws when the owner, architect, and general contractor are present.
4. Final Inspection - Time required: 1-2 hours
  - a) A final inspection will be conducted to close the construction phase of the project.
    - i) Discuss/schedule release of retention;
    - ii) Review as-built drawings if necessary.
    - iii) Provide proof of appropriate certification.
5. Final Closing - Time required: 4 hours
  - a) Release funds withheld and close out project.
6. Ongoing Monitoring
  - a) Annual desk audit, site monitoring, and on-site inspection.
7. Annual Reporting
  - a) Borrowers are required to provide annual reporting to DHCD which typically includes the following:
    - b) Property audited financial statement
    - c) Owner tax return
    - d) Property Insurance Certificates
    - e) Evidence real estate taxes are paid
    - f) Annual Owners Certification of Continuing Compliance



