



Multifamily Housing Notice 12-05

June 14, 2012

To: Developers, Sponsors and Local Housing Contacts

From: Patricia Rynn Sylvester, Director, Multifamily Housing

Re: **HUD NOFA: Section 811 Project Rental Assistance Demonstration Program (Section 811 PRA Demo): Meeting to Solicit Input from Development Community: June 19, 2012, 3-5PM at DHCD**

The Department of Housing and Community Development (DHCD) will be submitting an application in response to HUD's NOFA for the Section 811 PRA Demo Program. Applications are due by July 31, 2012.

As we prepare the response to the NOFA, we would benefit from input from the development community, including owners and managers of existing tax credit properties with targeted units for persons with disabilities and no other public subsidies. For this purpose, **we invite interested parties to join us for a roundtable discussion on TUESDAY JUNE 19, 2012, 3 – 5 PM at DHCD, 4th floor , HDP conference Room**. If you are unable to join us in person, we can provide access by conference call.

DHCD has been working closely with the Department of Health and Mental Hygiene (DHMH), Maryland Department of Disabilities (MDOD) and others over the past year to prepare for the NOFA release. A summary of the NOFA prepared by the Technical Assistance Collaborative (TAC) is attached ([click here](#)) and includes a link to the NOFA.

The NOFA, which was released on May 15, 2012, provides specific guidance on the parameters for the housing component of the Section 811 PRA Demo. While the NOFA encourages innovation and flexibility, there are some significant requirements that the units and properties must meet. The DHCD proposal will be looking to include both existing tax credit units and new tax credit units as eligible for the PRA subsidy. We expect to include incentives in the QAP for future units, as well as reaching out to our existing portfolio.

Some of our specific areas for discussion include:

- The appropriate mix of existing TC units versus future TC units
 - there is an incentive to get units occupied quickly which encourages funding units already in existence
- Balancing the 30 year use restriction, the required 20 year Rental Assistance Contract (RAC) with HUD's commitment to provide funding for only 5 years
 - the NOFA asks for a strategy for covering costs if HUD doesn't fund after year 5
- HUD's required use of TRACCs and the cost of accessing this for properties
- Creative ways to address leveraging of HUD's 811 PRA with other **operating** assistance funding, capital funds may not count toward leverage
- How to make funding awards -- rolling applications, competition.
 - There is a need to ensure that the units are in areas where DHMH's targeted NEDs populations need to live

There is only a short time to design a program that meets the requirements of the NOFA and is also workable for the owners and managers of the properties. Your input and assistance is needed and appreciated. If you cannot join us on Tuesday, please feel free to call me at 410-514-7481 or email me at Sylvester@mdhousing.org with your thoughts or concerns.

We look forward to seeing or hearing from you about this exciting new opportunity. HUD anticipates making decisions in October 2012 with Program opening in the 2nd quarter of 2013.

Please remember that we are announcing future round deadlines, significant application changes, bond program amendments, and other key dates and facts on our web site and by email only. Please make sure that we have your current email address. Please send any additions or corrections to rentalhousing@mdhousing.org as soon as possible.

Notices are posted to the DHCD website at the following locations:
<http://mdhousing.org/Website/programs/rhf/Default.aspx#Notices>
<http://mdhousing.org/Website/programs/lihtc/Default.aspx>

Thank you for your interest and participation in the multifamily housing programs in Maryland.

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