Multifamily Housing Notice 13-01

February 7, 2013

To: Developers, Sponsors and Local Housing Contacts

From: Patricia Rynn Sylvester, Director, Multifamily Housing

Re: **Updates – Taxable-Tax-Exempt Financing**
CY 2013 QAP and Guide Revision Status
Underwriting Assistance

Taxable and Tax-Exempt Financing Technique – Updated Guidance

On June 29, 2011, the Maryland Department of Housing and Community Development ("DHCD") issued a guidance memo regarding a new financing technique to be used to facilitate multifamily rental development activity that includes tax-exempt housing revenue bonds (the "Bonds") and 4% Low Income Housing Tax Credits (the "Tax Credits"). The financing technique enables qualified multifamily rental housing developments to realize the lower interest rates associated with taxable GNMA loan executions (the "GNMA Loan") in conjunction with the Tax Credits available with tax-exempt bond issuances ("Tax/TE Financing").

Attached is a February 7, 2013 Guidance memo that updates and replaces the June 29, 2011 memo. It provides substantial additional detail concerning the Tax/TE Financing and will govern all transactions effective with its issuance. It is intended to respond to additional information learned as DHCD worked through its first Tax/TE Financings and to make comprehensive changes at one time to ensure DHCD meets its rental housing goals, including full implementation of Rental Housing Works (RHW). It will be posted to DHCD's website under Related Links at:

http://www.mdhousing.org/Website/Programs/mbp/Default.aspx

Revisions to the QAP and Guide – Update

DHCD continues to work diligently with TDA to revise the QAP and Guide based on the comments received through the listening posts, webinars, conversations and interviews. **We anticipate having the Revised QAP and Guide out for public comment this month (February 2013).** We will provide an updated schedule for adoption of the QAP and Guide when we release the first Draft. We appreciate your patience with this process.

Underwriting Assistance

DHCD and has entered into a Memorandum of Understanding with the Pennsylvania Housing Finance Agency (PHFA) under which PHFA will provide underwriting assistance to DHCD on an as needed basis. This MOU will enable DHCD to continue to meet its processing and underwriting requirements while managing its significant pipeline of applications and new funding initiatives, including Rental Housing Works and Empower. DHCD recently assigned 5 applications to PHFA under this MOU. Additionally, Mr. Alvin Lawson has joined the DHCD underwriting team. He previously served as a Multifamily construction finance manager handling construction draws and cost certifications. Ms. Deepthi Jain also continues to providing underwriting services to DHCD. We hope these additions will ensure that DHCD continues to meet the expectations of its borrowers and stakeholders as it continues to recruit to fill remaining vacancies.

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.

Multifamily Housing Programs
Community Development Administration
Maryland Department of Housing and Community Development
100 Community Place
Crownsville, MD 21032-2023
taxcredits@mdhousing.org or rentalhousing@mdhousing.org