

QAP and Multifamily Rental Financing Program Guide - Summary of Key Changes between 2011 to 2013 documents

QAP Provision	2011 QAP	2013 QAP	General Summary of Comments
General Administration	The 2011 QAP provides for 1 or more rounds annually with no required formal pre-Round information session or mandated posting of information about all applications. Only RHPP, ERHP and HOME funds are governed by the Guide. DHCD practice has been to hold individual pre-application meeting with prospective applicants and to post information about awardees. Fees are listed in Exhibit A	The 2013 QAP provides for one competition annually, increase of program fees, additional data on applications to be posted to website, a required pre-application information session, and the inclusion of MHRP and NRP as program funds that may be awarded through the round in addition to RHPP, ERHP, and HOME mandated	
Priority Categories	Not applicable.	To communicate key policy priorities clearly and focus resources on them, the 2013 QAP and Program Guide limit competitive applications to four Project Priority Categories: (1) Family Housing in Communities of Opportunity; (2) Community Revitalization and Investment Areas; (3) Integrated Permanent Supportive Housing Opportunities; and (4) Preservation of Existing Affordable Housing. These categories apply only to applications for competitive 9% tax credits and loan funds. Bond applications do not have to meet one of the four priority categories. The 2013 QAP provides mapping for communities of opportunities and defines TOD to include rail, as well as bus transit nodes.	Commenters commended DHCD for clarifying its policy priorities, but also voiced concerns about applying these categories as threshold criteria. Comments requested numerous changes to the definitions and standards in the various categories, including changes to the definition of transit oriented development, mapping of communities of opportunity, and standards for community revitalization plans. DHCD responded to comments by providing greater clarification and objective standards in the final 2013 version.
Threshold	Most criteria in the 2011 QAP appear in the scoring section with limited factors listed as threshold requirements.	The 2013 QAP places greater emphasis on threshold with more objective standards. Market studies and development quality are now important threshold categories with the goal of increased transparency and objectivity. Provisions to allow "curing" threshold issues were retained.	Comments were varied and ranged from general statements about the approach to more specific suggestions about what is acceptable threshold criteria. DHCD made specific adjustments over the course of the revisions to adjust the thresholds to make them more objective and to address concerns that bond applications and preservation projects be able to satisfy threshold standards.
State Bonus Points	The 2011 QAP contained a provision on the Secretary's Reserve that provided some discretion by the Secretary in the award of credits outside the competitive rounds.	The Secretary's Reserve concept has been replaced by State Bonus Points to provide greater transparency around the policy and application of the points. No more than 2 projects may receive an award due to the receipt of State Bonus points and the projects may receive no more that the current amount of Secretary Reserve for tax credits (20%).	The majority of the commenters initially questioned this change and asked that the applicability of Bonus Points be constrained so that no more than the current 20% allocation for Secretary's Reserve be controlled by the new Bonus Points.
Development Quality (DQ)	Development Quality Standards in the 2011 QAP were based on a detailed point system.	The 2013 QAP Guide simplifies the Development Quality point structure and moves many criteria into threshold to ensure key standards are met across projects. Significant language changes were made to promote objectivity and transparency.	The comments were lengthy and specific with many commenters providing detailed suggestions for criteria. Concerns about DQ standards increasing costs and reducing flexibility in design were received. A DQ workgroup met to propose revisions, which are included in the final document. Specific adjustments were made in consideration of bond projects.
Local Approval	The 2011 QAP included requirements for local approval and local contribution.	The 2013 QAP changes the local approval and contribution processes. For LIHTC, Multifamily Bond Program (MBP) loans, and HOME loans, projects will no longer have to provide a formal resolution of support from the governing body of the local jurisdiction and the highest elected official of the local jurisdiction in which the project is located. The changes provide that DHCD shall now provide written notice of receipt of an application to the highest elected public official of the political subdivision in which the project is located. The local government will have 45 days to take action to approve, disapprove or take no action with regard to the project. If approved or no action is taken, the Department may fund the project. If disapproved, the local government must state the reason for disapproval. The changes also eliminate the local contribution for LIHTC and HOME loans (no contribution was previously required for MBP loans). The changes eliminate any local approval or local contribution for Elderly Rental Housing Program loans, Maryland Housing Rehabilitation loans and Nonprofit Rehabilitation Program loans. The local approval requirements for Rental Housing Production Program (RHPP) loans have been revised to provide two alternate methods of evidencing approval, in addition to a local resolution. The standards for local approval and contribution are varied for these different programs due to varied statutory provisions governing the programs.	Commenters commended DHCD for making changes in this area, but some commented that these changes did not go far enough. The language, however, reflects the requirements of the law. See also Response to Comments Regarding the Local Approval Requirement and its Applicability to the Tax Credit Program and Multifamily Loan Programs from the Office of the Attorney General.

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Fair Housing	The 2011 QAP did not include a specific discussion of fair housing or the duty to affirmatively further fair housing. Instead, these topics were covered through nondiscrimination language in the loan documents. An Affirmative Fair Housing Marketing Plan (AFHMP) was required for projects receiving HOME funds.	The 2013 QAP expressly requires that an AFHMP be provided for all projects and that DHCD will review the AFHMP to ensure it includes specified provisions in excess of HUD requirements. The 2013 QAP also provides that developers who do not comply with an approved AFHMP will be subject to negative points in subsequent rounds and that parties with documented fair housing violations within the last 5 years will be prohibited from participating in the programs.	Commenters asked that DHCD take additional steps to meet its obligation to affirmatively further fair housing and that there be specific reference to this obligation in the QAP. The 2013 QAP provides additional clarification and transparency about DHCD's fair housing efforts.
Family Housing	The 2011 QAP provides incentive points for family housing in BRAC counties and also for family projects with 2 or more bedrooms	The 2013 QAP increases the total points available solely to family projects, adds family projects in communities of opportunity as a priority category, and specifically allows a 30% State-designated basis boost if such basis boost is necessary for financial feasibility. The percentage of large units in a property necessary to receive incentive points has been increased to encourage the creation of three bedroom and larger units for large families. To facilitate the creation of affordable scattered site family projects in communities of opportunity, DHCD has eliminated the need for a community revitalization plan for such projects and provided specific language allowing such projects to request a waiver of the site control threshold requirement..	Several comments requested additional emphasis on creating housing for families in areas near good schools and job opportunities. The need to create large units to serve large families was also included in comments. The availability of the 30% state basis boost for family housing in opportunity areas, as well as changes to make it easier to create scattered site housing for families were also noted in comments.
Point Scale	Projects were ranked on a 315 point scale in the 2011 QAP.	The 2013 QAP uses a 200 point scale with adjustment to scoring categories in comparison to the 2011 QAP	DHCD's initial draft ranked projects on a 100 point scale but about half of the commenters to that draft remarked that the 100-point scale makes it difficult to differentiate between good and mediocre projects. DHCD doubled the point scale to 200 in response to these comments.
Non-profit Set Aside	The 2011 QAP cited the regulatory requirement for nonprofit set asides.	The 2013 QAP further clarifies that CDA will use the 10% nonprofit set-aside to first fund the highest scoring projects that have 100% ownership by one or more nonprofits. Only if there are insufficient 100% controlled nonprofit projects, will it use the 10% set-aside for nonprofit-for profit joint ventures.	Changes in the 2013 QAP responded to comments that the nonprofit set aside should be awarded for non-profit projects only and that joint ventures with for profit entities should not be funded from the non-profit set aside.
Nonprofit, PHA, and M/DBE Participation	Varying points were provided under the 2011 QAP for non-profit and PHA involvement (up to 15 points) and M/WBE participation (up to 15 points). However, a controlling for-profit entity could not maximize points in this category.	The sections have been completely revised. The 2013 QAP provides a maximum of 14 points with 4 categories for obtaining points for projects involving nonprofits, PHAs, or MBEs. all entities, including a controlling for-profit entity can achieve the maximum 14 points in a variety of ways. An entity that receives negative points under Development Team experience will have its score in this section reduced by same amount of negative points applied under Section 5.1.2. Experience scoring will be based on the controlling entity.	This category received significant comments and was reworked several times throughout the process to address concerns. To respond to the range of comments in this category, DHCD worked hard to include all aspects of a consensus position that both for profit and nonprofit entities supported.
Tenant Services	Tenant services were included as threshold and scoring criteria in the 2011 QAP. To maximize scoring in this category, a project needed to include sustainable funding from non-project sources.	Scoring for tenant services has been simplified by eliminating scoring for sustainable funding and allowing an applicant to certify to the services to be provided in addition to the option of providing Memorandum of Understanding with service providers. The threshold standards have been maintained.	Comments generally related to costs of maintaining services. Some asked that funding for tenant services be allowed in the operating budgets and for additional scoring points for strength of plan. Most commenters objected to the existing sustainable funding standards to receive points.
Persons with Special Needs (SN) or Non-elderly Persons with Disabilities (PWD)	The 2011 QAP provided 5 points for projects that agreed to target and market 10% of their units to PWDs at 50% AMI.	The 2013 QAP includes a 5% threshold requirement for units serving special needs tenants or non-elderly PWDs and adds scoring incentives of up to 10 points for providing up to 25% of a project's units for these populations. For scoring, points related to being willing to accept Section 811 funding are separated from the scoring for targeting units.	While many commenters commended DHCD for incentives to serve special needs and non-elderly disabled populations, some commenters to this topic expressed concern that the initial point system would cause virtually all developers to say they can and will do NEDS/ special needs without sufficient regard to experience and cost. Commenters also expressed concern on the initial interplay between Section 811 funding and special needs incentives. DHCD revised the initial draft to respond to these comments in reaching the final 2013 QAP.