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REQUEST FOR PROPOSALS (HCHC RFP No. 01-07-2022)

FINANCING APPROACH FOR AFFORDABLE HOUSING DEVELOPMENT

Issuance Date: July 26, 2022

Submission Deadline

August 24, 2022 at 2:00 p.m. Eastern Time (ET)
(See Section 7 for details)

Questions Deadline

August 4, 2022 at 5:00 p.m. ET

ALL QUESTIONS MUST BE SUBMITTED IN WRITING TO
questions@househoward.org
(See Section 10 for details)

Issued by:
Howard County Housing Commission
Peter Engel, Executive Director

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EXHIBIT A – PROJECT DESCRIPTION

1. INTRODUCTION

The Howard County Housing Commission (the “Commission”) seeks proposals from:

- 1.1. Qualified and experienced syndicators of Low-Income Housing Tax Credit (“LIHTC”) equity; and
- 1.2. Qualified and experienced lenders for construction and permanent debt.

Proposers must submit for both of the above items. Proposers that only provide one of the items above are encouraged to submit as a team with other vendors that can provide the required debt and/or equity for the Project. It is the intention of the Commission to have one coordinated team, whether inclusive of one firm or multiple, that can provide the required equity and debt financing for the project.

As further described in this Request for Proposals (“RFP”), the selected firm(s) (the “Contractor”) will be tasked with financing a new construction affordable housing project that utilizes a “twinning” LIHTC structure (i.e., 4% and 9% LIHTC projects in the same building) in Columbia, Maryland (the “Project” or “Artist Flats”). See **Exhibit A** for a description of the Project.

The Project will be the first of five affordable or mixed income housing developments that the Commission is slated to develop in the fast-urbanizing Downtown Columbia district of Howard County over the next decade. Three of the additional four buildings will be mixed-use with residential apartments built above a new library, a new fire station, and a new transit center, respectively. The fourth remaining building will consist of residential apartments only. Learn more about the Downtown Columbia master plan here:

<https://www.howardcountymd.gov/planning-zoning/community-and-master-plans>

2. COMMISSION BACKGROUND

Organized in 1990, the Commission is an independent State-chartered Public Housing Authority. The mission of the Commission is to provide safe, quality, affordable, and sustainable housing opportunities for low- and moderate-income families in Howard County, Maryland (the “County”) and to assist them in moving toward economic independence. The Commission pursues this mission through open, efficient, innovative, and accountable processes.

The Commission's Board of Commissioners consists of seven members, each appointed by the County Executive and approved by the County Council. The Commission develops and manages housing resources to benefit low- and moderate-income residents of the County. The Commission owns over 2,000 rental units and manages these properties through contractual services with third-party management companies. The Commission also develops housing opportunities through cooperative efforts with developers, government entities, and private investors using a variety of funding sources such as the Low-Income Housing Tax Credit, bond issuance, loans, and grants. Additionally, the Commission operates the federally funded Housing Choice Voucher Program for the County. The Commission has the authority to issue bonds, is rated A+ by S&P, and has been active in the bond market.

3. CONTRACTOR'S QUALIFICATIONS AND ELIGIBILITY

- 3.1 The Contractor must be a corporation or company that is validly existing and permitted to do business in Maryland. Additionally, the Contractor must be in good standing with the Maryland State Department of Assessments and Taxation. More information is available at <http://www.dat.state.md.us/>.
- 3.2 The Contractor must possess all necessary licensing under Maryland law to provide the services specified in this RFP.
- 3.3 The Contractor must clear the federal debarment list under the U.S. System for Award Management (SAM). Federal debarment is checked for both the company and principal(s) of the company. More information is available at <https://www.sam.gov/portal/public/SAM/>.
- 3.4 The Contractor must have a proven record of providing the services required. The Commission reserves the right to perform investigations as may be deemed necessary to ensure that competent personnel and management will be utilized in the performance of the services.

4. PROPOSED DEBT APPROACH

The Contractor's proposal regarding construction and permanent debt must include a full description of the proposed approach to providing financing for the Project. The proposed financing approach must be negotiable depending upon matters that arise in connection with compliance with rules and requirements of the Commission, HUD and all other applicable governmental entities having jurisdiction over the Development. The proposed financing approach must make

provisions to meet and comply with all applicable laws and regulations applicable to housing developments receiving HUD program assistance. The Project financing currently does not anticipate triggering Davis Bacon requirements through the financing as the Project Based Voucher assistance is structured to not exceed 8 units per Housing Assistance Payment contract per condominium entity.

A separate financing approach must be provided for the 4% and 9% LIHTC components of the project. **If there are conditions unique to the Project that would cause the final financing terms to differ from typical terms, please describe the conditions and how it may affect any of the categories below.** The proposed financing approach must cover at least the following:

- 4.1 **Permanent Loan Structure.** Describe the proposed loan product, including current rates, and debt structure and specify why it has been deemed optimal for the Project. Describe additional loan products that the Contractor offers that may be suitable for the Project. Please note that the Commission currently does not anticipate utilizing an FHA loan product.
- 4.2 **Construction Loan Structure.** Describe the proposed loan product, including current rates, and debt structure and specify why it has been deemed optimal for the Project. Describe additional loan products that the Contractor offers that may be suitable for the Project. Please note if you do not intend to provide a construction loan.
- 4.3 **Underwriting.** Provide the standard maximum loan-to-value debt service coverage, and vacancy loss ratios to be used for underwriting for the proposed loan product.
- 4.4 **Conversion/Prepayment Fees.** Describe the standard prepayment, yield maintenance, hedge costs, or similar fees associated with the proposed loan product.
- 4.5 **Transactional Costs.** Describe standard transactional costs associated with the construction loan and permanent loan to be borne by the borrower. These costs may include, but are not limited to closing costs, legal fees, conversion costs, etc.
- 4.6 **Insurance Requirements.** Specify standard minimum insurance requirements for the Project construction and operating periods.
- 4.7 **Change Orders.** Describe the standard lender approval process for change orders during construction.
- 4.8 **Guarantees.** Describe the guarantees that will likely be required, including

the amount, timing, terms, and conditions for termination.

- 4.9 **Reserves.** Describe the standard reserve accounts that will be required to be funded, the purpose of each account, how each account is to be capitalized, and the timing and terms for the release and replenishment of each account.
- 4.10 **Due diligence and Closing Requirements.** Describe your standard conditions for closing, due diligence requirements for closing, and provide a closing checklist. Include any special conditions you anticipate requiring regarding this specific Project.
- 4.11 **Loan Conversion.** Describe the standard permanent loan conversion process for the proposed loan product, and all standard associated and projected borrower costs or fees.
- 4.12 **Reporting Requirements During and Post-Construction.** Describe your standard reporting requirements for the construction period and for after stabilization.
- 4.13 **Asset Management.** Describe your standard asset management practices and all associated and projected fees.
- 4.14 **Legal Counsel.** Provide the name of the attorney and law firm likely to be used by the lender (as available).
- 4.15 **Project Auditor/Accountant.** List the standard requirements related to the duties of the auditor/accountant for the project.
- 4.16 **FHLB Membership.** Confirm whether the lender is a member of the Federal Home Loan Bank covering any region. The local and preferred FHLB branch for the Project is Atlanta.

5. PROPOSED EQUITY APPROACH

The Contractor's proposal regarding equity investment terms must include a full description of the approach to providing an equity investment in the Project. The proposed approach to providing an equity investment must be negotiable depending upon matters that arise in connection with compliance with rules and requirements of the Commission, HUD and all other applicable governmental entities having jurisdiction over the Development. The proposed investment approach must make provisions to meet and comply with all applicable laws and regulations applicable to housing developments receiving HUD program assistance. The Project financing currently does not anticipate triggering Davis Bacon requirements through the financing as the Project Based Voucher assistance is structured to not exceed 8 units per Housing Assistance Payment contract per condominium entity.

The proposed investment approach must cover at least the following. Please note any anticipated terms that will differ between the 4% and 9% LIHTC components of the project. **If there are conditions unique to the Project that would cause the final financing terms to differ from typical terms, please describe the conditions and how it may affect any of the categories below.** The proposed investment approach must cover at least the following:

- 5.1 **Price.** Provide your firm's LIHTC equity pricing for all projects closed within the past 12 months. Final LIHTC pricing shall be provided by the selected Contractor at a competitive market rate.
- 5.2 **Pay-in Schedule.** Describe a standard pay-in schedule, including conditions precedent to each capital contribution. Provide your typical terms for defining stabilization, debt service coverage thresholds, and any other financial benchmarks necessary to release the final capital contribution.
- 5.3 **Underwriting.** Provide the standard debt service coverage and vacancy loss ratio requirements to be used for underwriting, along with any other mandatory underwriting standards.
- 5.4 **Developer Fee Payout of Non-Deferred Fee.** Please describe the standard payment schedule of non-deferred developer fee.
- 5.5 **Guarantees.** Describe any guarantees that will likely be required, including performance, LIHTC compliance, and operating guarantees, and specify the length of guarantees as well as any minimum net worth and liquidity requirements.
- 5.6 **Reserves.** Describe the standard reserve accounts that will be required to be funded, the purpose of each account, how each account is to be capitalized, and the timing and terms for the release and replenishment of each account. Specify whether lender-required reserves, if any, can satisfy the investor's required reserves.
- 5.7 **Insurance Requirements.** Specify the standard minimum insurance requirements for the Project construction and operating periods.
- 5.8 **Change Orders.** Describe the investor approval process for change orders during construction.
- 5.9 **Syndication Costs.** List the standard continuing fees to be paid to the investor(s), such as an asset management fee or other due diligence costs. Also specify syndication, legal, reports, and other reimbursable costs to be charged to the developer, if any.

- 5.10 **Cash Flow Distribution.** Describe your preferred plan of Project cash flow distribution. In the event of a deferred developer fee, it is expected that cash flow would repay the fee first. The Commission also expects to receive cash flow payments through a ground lease structure or other means if feasible.
- 5.11 **End of Compliance Period – ROFR.** The Commission or its affiliate intends to retain the right of first refusal (“ROFR”) to purchase the Project for outstanding debt plus exit taxes at the end of the 15-year LIHTC compliance period. Your submission should indicate your acceptance of the ROFR and propose any conditions that would likely be imposed by the investor.
- 5.12 **End of Compliance Period – Option to Purchase.** The Commission or its affiliate intends to retain an option to purchase the Project at the end of the 15-year LIHTC compliance period. Your submission should include any conditions that are likely to be imposed by the investor with regard to the option to purchase, including pricing.
- 5.13 **Due diligence and Closing Requirements.** Describe your standard conditions for closing, due diligence requirements for closing, and provide a closing checklist. Include any special conditions you anticipate requiring regarding this specific Project.
- 5.14 **Reporting Requirements During and Post-Construction.** Describe your reporting requirements for the periods both during construction and after stabilization.
- 5.15 **Asset Management.** Describe standard asset management practices and all associated and projected fees.
- 5.16 **Legal Counsel.** Provide the name of the likely attorney and law firm to be used by the investor (as available).
- 5.17 **Project Auditor/Accountant.** List the standard requirements related to the duties of the auditor/accountant for the project.
- 5.18 **Limiting Conditions.** Describe any likely limiting conditions such as time required to obtain approvals from investors or internal committees.
- 6. HOLD HARMLESS/INDEMNIFICATION AND INSURANCE REQUIREMENTS**
- 6.1 The Contractor shall indemnify and hold the Commission harmless from and against any and all liability and expenses, including attorney's fees, howsoever arising or incurred, arising out of or attributable to the

Contractor's performance of services specified herein, provided that the Contractor shall not be responsible for acts of negligence or willful misconduct committed by the Commission, its employees, agents and officials.

- 6.2 The Contractor shall purchase and maintain, during the term of the contract, including any extensions thereof, such policies of insurance acceptable to the Commission as will protect the Contractor and the Commission from claims or losses, regardless of whether such claims or losses result from the Contractor's actions or omissions or those of a subcontractor or those of anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable.

7. SUBMISSION OF PROPOSALS

An incomplete response to this RFP may be cause for rejection. To be considered complete, a response to this RFP must include all of the items listed below (Documents A, B, and C are attached hereto):

- 7.1 Completed and executed **Document A** (Proposal Cover Page);
- 7.2 Responses to the items listed in **Document B** (Required Proposal Contents); and
- 7.3 Completed and executed **Document C** (Affidavit).

Each proposer must submit one (1) electronic copy of their proposal. Proposers must comply with each of the following submission guidelines:

- 7.4 The electronic copy of the proposal must be in Adobe PDF format and must be e-mailed to submissions@househoward.org.
- 7.4.1 If your e-mail is rejected by the server for being too large, your e-mail attachment may be broken into clearly labeled parts and sent over multiple e-mails (example: 1 of 3, 2 of 3, and 3 of 3).
- 7.4.2 **You will receive a confirmation e-mail that your proposal has been received. If you DO NOT receive a confirmation e-mail, you should notify us by sending an e-mail to:**
questions@househoward.org.
- 7.5 Proposals must be received by the Commission no later than **2:00 p.m.**

ET on August 24, 2022.

Timely proposals become the property of the Commission. Late submissions will not be considered.

A submission in response to this RFP shall be considered as a representation that the proposer:

- 7.6 Has carefully reviewed the terms and conditions of this RFP;
- 7.7 Has carefully investigated all conditions which affect or may, at some future date, affect the performance of the services covered by the proposal;
- 7.8 Is fully informed concerning the conditions to be encountered, character, quality and quantity of work to be performed and/or materials to be furnished;
- 7.9 Is familiar with all applicable federal, state and county laws, codes, and ordinances that in any way affect the performance of the work or persons engaged or employed in the work specified herein;
- 7.10 Agrees that the Commission may copy the proposal to facilitate evaluation and/or responding to requests for public records; and
- 7.11 Warrants that any copying of the proposal by the Commission will not violate the rights of any third party.

8. EVALUATION OF PROPOSALS

The Commission intends to make award to the responsible proposer whose proposal represents the best overall value to the Commission. Proposals will be evaluated based on the following criteria:

- 8.1 All elements of the proposed debt and equity approaches;
- 8.2 Qualifications, capacity, and experience to perform the required services;
- 8.3 Completeness of the proposal; and
- 8.4 EBO status (see Item 8 on the attached **Document B** for details).

The Commission may enter into negotiations and interviews with proposers and invite best and final proposals as deemed to be in the best interest of the Commission. Negotiations and interviews may be in the form of face-to-face, telephone, facsimile, e-mail or written communications, or any combination thereof, at the Commission's sole discretion. Proposers, however, are strongly



advised not to prepare their proposals based on any assumption or understanding that negotiations or interviews will take place. Proposers are advised to respond to this RFP fully and with forthrightness at the time of submission.

Following submission, proposers are strongly cautioned not to contact elected officials or members of the evaluation committee regarding the selection process. Inappropriate efforts to lobby or influence individuals involved in the selection process may result in dismissal from further consideration, at the Commission's sole discretion.

The Commission reserves the right, in its sole discretion, to: (1) reject all proposals; (2) select a winning proposal and, if terms cannot be agreed to, select another proposal (this process may be repeated); (3) select more than one proposal; or (4) proceed in any manner that is advantageous to the Commission.

9. PUBLIC RECORDS AND REQUESTS FOR CONFIDENTIAL TREATMENT

Timely proposals become the property of the Commission. A proposal will be open to the public under the Maryland Public Information Act (Title 4 of the General Provisions Article of the Annotated Code of Maryland) (the "PIA") and other applicable laws and rules.

Proposers may request that the Commission treat certain information contained in their proposals as exempt from disclosure. To receive such treatment, the proposer must show the specific grounds in the PIA or other applicable law or rule that support exempt treatment and must submit an additional copy of the proposal with the exempt information deleted. The additional copy must provide the general nature of the material removed and shall retain as much of the original proposal as possible.

A proposer shall be responsible for any costs or damages associated with defending the proposer's request for exempt treatment.

The other provisions of this Section notwithstanding, the Commission shall retain the ultimate discretion to determine whether any part of any proposal should be disclosed.

10. QUESTIONS

Questions concerning this RFP must be made in writing and e-mailed to questions@househoward.org. Questions must be received no later than **5:00 p.m.**

ET on August 4, 2022. Answers to questions and any addenda/amendments to the RFP will be posted by **August 10, 2022** on the Commission's website at: www.househoward.org/vendors.



DOCUMENT A

PROPOSAL COVER PAGE

TITLE: FINANCING APPROACH FOR AFFORDABLE HOUSING DEVELOPMENT (HCHC RFP No. 01-07-2022)

TO: HOWARD COUNTY HOUSING COMMISSION
9770 Patuxent Woods Drive Suite 100
Columbia, MD 21046

Company Name: _____

Address: _____

(City) (State) (Zip Code)

Phone: _____ Fax: _____ E-Mail: _____

Federal Tax ID No.: _____

MD Dept. of Assessments and Taxation ID No.: _____

Request for Confidential Treatment (check one):

- We are not requesting confidential treatment for this proposal.
- We are requesting confidential treatment for portions of this proposal. We have supplied, as an attachment to this proposal, a list of the provisions identified by section number for which we seek confidential treatment along with the statutory basis under Maryland law for exempting that information from public disclosure. We have supplied an additional copy of the proposal with confidential information deleted. In the event the designation of confidentiality of this information is challenged, the undersigned hereby agrees to provide legal counsel or other necessary assistance to defend the designation of confidentiality and agrees to indemnify and hold the Commission and Howard County, Maryland harmless for any costs or damages arising out of the Commission agreeing to withhold the materials based on our request. Our stated bases for confidential treatment notwithstanding, we understand that the Commission shall have the ultimate discretion to determine whether the information provided in our proposal should be disclosed in accordance with applicable law. We agree that the Commission may deem our request for confidential treatment to be invalid if we fail to include in this submission all information and documentation required by this paragraph.

The undersigned affirms that all statements in this submission are true and accurate to the best of the knowledge and belief of the undersigned:

SIGNATURE

DATE

PRINTED NAME

TITLE



DOCUMENT B

REQUIRED PROPOSAL CONTENTS

TITLE: FINANCING APPROACH FOR AFFORDABLE HOUSING DEVELOPMENT (HCHC RFP No. 01-07-2022)

The Proposal must address each of the following items:

1. **Cover Letter**. Provide a cover letter that summarizes the proposer's interest in the project, a brief description of qualifications, statement of understanding of the services solicited by this RFP, and identification of a primary contact person.
2. **Table of Contents**. The proposal must include a table of contents.
3. **Qualifications and Capacity**. Describe the proposer's history and resource capability to make the required financing. Include a firm resume, firm profile, and resumes and relevant certifications of all key personnel that will act on behalf of the proposer. Provide the names and profiles of professionals anticipated to be involved in the project, including attorneys and accountants.
4. **Experience**. List all projects for which the proposer has financed a LIHTC project in the State of Maryland within the past five years. Each listed project must be accompanied by each of the following:
 - a. Year closed;
 - b. Project location;
 - c. Number of units;
 - d. Developer;
 - e. **For equity investors** - total equity paid and equity pricing per LIHTC dollar;
and
 - f. **For lenders** – amount of loan and loan product used.
5. **Proposed Debt and Equity Approach**. Describe financing approach as required by Section 4 and Section 5 of the RFP, as applicable.
6. **Financial Statements**. Provide the most recent annual report and most recent audited financial statements for all members included in the proposer's submission.
7. **Qualified to do Business**. Provide a statement certifying that neither the proposer nor its affiliates are debarred, suspended, or otherwise prohibited from performing the services solicited by the RFP by any federal, state, or local agency.
8. **EBO Information**. Confirm whether the proposer is a minority-owned business enterprise, women-owned business enterprise, disabled-owned business enterprise, a HUD-defined Section 3 business concern, or has other equal business opportunity status and, if applicable, provide a copy of valid certification. Five percent (5%) of the scoring of proposals will be based on whether the proposer submits such

DOCUMENT B

REQUIRED PROPOSAL CONTENTS

certification. Scoring may also take into account the demographic makeup of the proposer's firm including in leadership and staff roles and other efforts made by the firm toward diversity, inclusion, and equity.



DOCUMENT C

AFFIDAVIT

TITLE: FINANCING APPROACH FOR AFFORDABLE HOUSING DEVELOPMENT (HCHC RFP No. 01-07-2022)

Contractor _____

Address _____

I, _____, the undersigned _____, of the above named
(Print Signer's Name) (Print Office Held)

Contractor does declare and affirm this ____ day of _____, _____, that I hold the
aforementioned office in the above named Contractor and I affirm the following:

AFFIDAVIT I

The Contractor, his Agent, servants and/or employees, have not in any way colluded with anyone for and on behalf of the Contractor or themselves, to obtain information that would give the Contractor an unfair advantage over others, nor have they colluded with anyone for and on behalf of the Contractor, or themselves, to gain any favoritism in the award of the contract herein.

AFFIDAVIT II

No officer or employee of Howard County, Maryland or the Howard County Housing Commission, whether elected or appointed, has in any manner whatsoever, any interest in or has received prior hereto or will receive subsequent hereto any benefit, monetary or material, or consideration from the profits or emoluments of this contract, job, work or service for the Commission, and that no officer or employee has accepted or received or will receive in the future a service or thing of value, directly or indirectly, upon more favorable terms than those granted to the public generally, nor has any such officer or employee of the County or Commission received or will receive, directly or indirectly, any part of any fee, commission or other compensation paid or payable to the Commission in connection with this contract, job, work, or service for the Commission, excepting, however, the receipt of dividends on corporation stock.

AFFIDAVIT III

Neither I, nor the Contractor, nor any officer, director, or partners, or any of its employees who are directly involved in obtaining contracts with Howard County or the Commission have been convicted of bribery, attempted bribery, or conspiracy to bribe under the laws of any state, or of the federal government for acts or omissions committed after July 1, 1977.

AFFIDAVIT IV

Neither I, nor the Contractor, nor any of our agents, partners, or employees who are directly involved in obtaining contracts with Howard County or the Commission have been convicted within the past 12 months of discrimination against any employee or applicant for employment, nor have we engaged in unlawful employment practices as set forth in Section 12.200 of the Howard County Code, or of Section 16 of Article 49B of the Annotated Code of Maryland or, of Sections 703 and 704 of Title VII of the Civil Rights Act of 1964.

I do solemnly declare and affirm under the penalties of perjury that the contents of the foregoing affidavits are true and correct to the best of my knowledge, information and belief.

SIGNATURE

DATE

PRINTED NAME

TITLE



EXHIBIT A. PROJECT DESCRIPTION



Location: 5900 Symphony Woods Road, Columbia, Maryland 21044 (Howard County)

Project Overview

The Howard County Housing Commission has partnered with Orchard Development to develop the new Downtown Columbia Cultural Center and Artists Flats housing. The Cultural Center is an integral part of the master plan approved by the Howard County Council to create a vibrant mixed-use Downtown Columbia. The Downtown Plan calls for the new construction of over 6,000 residential units, 4.3 million square feet of office space, 1.25 million square feet of new retail space, and 640 new hotel rooms. Approximately 1,200 new units have been completed to date with the Marlow apartments currently under construction.

Located across the street from the Merriweather Post Pavilion concert venue, the new Cultural Center will include 120,000 square feet for theater and arts programming, including a new home for the long-running Toby's Dinner Theater as it transitions into a non-profit operation. The theaters and entities immediately below the apartments will provide access to arts programming as well as youth programs that focus on the theatrical arts. CCTA, the non-profit that will be taking over the dinner theater, runs many youth programs and has scholarship funds that benefit students of all income ranges. The Howard County Department of Recreation and Parks will sponsor a wide variety of arts programming for children, teens, and adults. The new Cultural Center will be owned by Howard County.

The 174 unit Artists Flats project, to be constructed on top of the new Cultural Center, is part of the approved plan for the Housing Commission to develop 417 units of Low Income Housing in mixed-use and mixed-income buildings in Downtown Columbia. The building will also include a 650 space parking garage to serve the Cultural Center and Artists Flats.

Development Team

The Housing Commission has partnered with Orchard Development on this project. Orchard is leading the design, permitting, and construction of the building for both the

EXHIBIT A. PROJECT DESCRIPTION

County owned new Cultural Center and the Artists Flats residential project. Additional team members include:

- Whiting-Turner – general contractor
- Design Collective Inc. – architect
- GLW – civil engineer
- Pando Alliance – environmental consultant

In addition, JDC Construction will serve as an Owner’s Representative to the Housing Commission.

Ownership

The property will be divided into three condominiums: new cultural center, 4% housing condo, 9% housing condo. Howard County will own the new cultural center condo. A subsidiary of the Housing Commission will serve as the sole general partner in LIHTC condominium partnerships.

Housing Project Description

The Artists Flats project will be a 5-story wood-frame building constructed on top of the new cultural center. Amenities will include a fitness center, elevated veranda, landscaped courtyard, and resident lounge. The project will contain 174 units, of which 87 will be LIHTC and 87 will be unrestricted market-rate. The project will be financed using a twin 4%/9% LIHTC structure. The housing project will be separated into two condos, with market-rate units included in the each of the LIHTC condos. The two condos will be separated vertically.

| BR Count | Combined Project | Total 9% Condo | 9% LIHTC | Market | Total 4% Condo | 4% LIHTC | Market |
|-----------------|-------------------------|-----------------------|-----------------|---------------|-----------------------|-----------------|---------------|
| 1 BR | 86 | 10 | 1 | 9 | 76 | 38 | 38 |
| 2 BR | 69 | 26 | 14 | 12 | 43 | 15 | 28 |
| 3 BR | 19 | 14 | 14 | 0 | 5 | 5 | 0 |
| Total | 174 | 50 | 29 | 21 | 124 | 58 | 66 |

Budget and Financing

An award of LIHTC for the twin structure and gap financing was made by the Maryland DHCD in 2019. The project will also include 38 Project Based Vouchers, of which 6 are HUD 811 vouchers. The current combined sources and uses are below and is subject to revision. Additional sources are being procured to address the financing gap. Among other sources, the project team expects to apply to MD DHCD later this year when the new Multifamily Capital Fund opens for applications.

EXHIBIT A. PROJECT DESCRIPTION

| Sources | 9% Condo | 4% Condo | Total |
|--------------------------------------|---------------------|---------------------|---------------------|
| LIHTC Equity (\$0.91 equity raise) | \$13,650,000 | \$10,120,483 | \$23,770,483 |
| Private Debt (5.25% interest rate) | \$11,056,795 | \$22,897,474 | \$33,954,269 |
| Maryland DHCD - Rental Housing Works | \$0 | \$2,900,000 | \$2,900,000 |
| Weinberg Funds | \$0 | \$840,000 | \$840,000 |
| Maryland DHCD - PRHP | \$1,800,000 | \$3,975,000 | \$5,775,000 |
| Columbia Downtown Housing Corp. | \$0 | \$3,500,000 | \$3,500,000 |
| Federal Home Loan Bank - AHP | \$0 | \$700,000 | \$700,000 |
| Howard County – ARP Funds | \$2,000,000 | \$0 | \$2,000,000 |
| Deferred Developer Fee | \$1,500,000 | \$3,000,000 | \$4,500,000 |
| Total | \$30,006,795 | \$47,932,957 | \$77,939,751 |

| Uses | 9% Condo | 4% Condo | Total |
|------------------------------|---------------------|---------------------|---------------------|
| Construction | \$22,338,790 | \$39,862,229 | \$62,201,019 |
| Fees Related to Construction | \$1,295,175 | \$2,653,640 | \$3,948,815 |
| Financing Fees | \$1,858,356 | \$3,544,989 | \$5,403,345 |
| Acquisition (Land Costs) | \$1,473,335 | \$3,018,665 | \$4,492,000 |
| Developers Fee | \$2,500,000 | \$5,199,859 | \$7,699,859 |
| Syndication Costs | \$122,500 | \$103,113 | \$225,613 |
| Guarantees and Reserves | \$593,249 | \$1,309,480 | \$1,902,729 |
| Total | \$30,181,405 | \$55,691,976 | \$85,873,380 |

Current Schedule

- **2019 – Received Award from Maryland DHCD of Low Income Housing Tax Credits and gap funding.**
- **Q1 2022 – Design complete, permit application submitted**
- **Q4 2022 – Permit approval**
- **Q2 2023 – Construction of arts center begins**
- **Q3 2024 – Closing on residential financing, construction of residential project begins.**
- **Q2 2026 – Residential project is complete**

[See Diagrams on Following Pages]

EXHIBIT A. PROJECT DESCRIPTION

ARTIST FLATS / CULTURAL CENTER BUILDING PROGRAM



ARTIST FLATS FLOOR PLAN

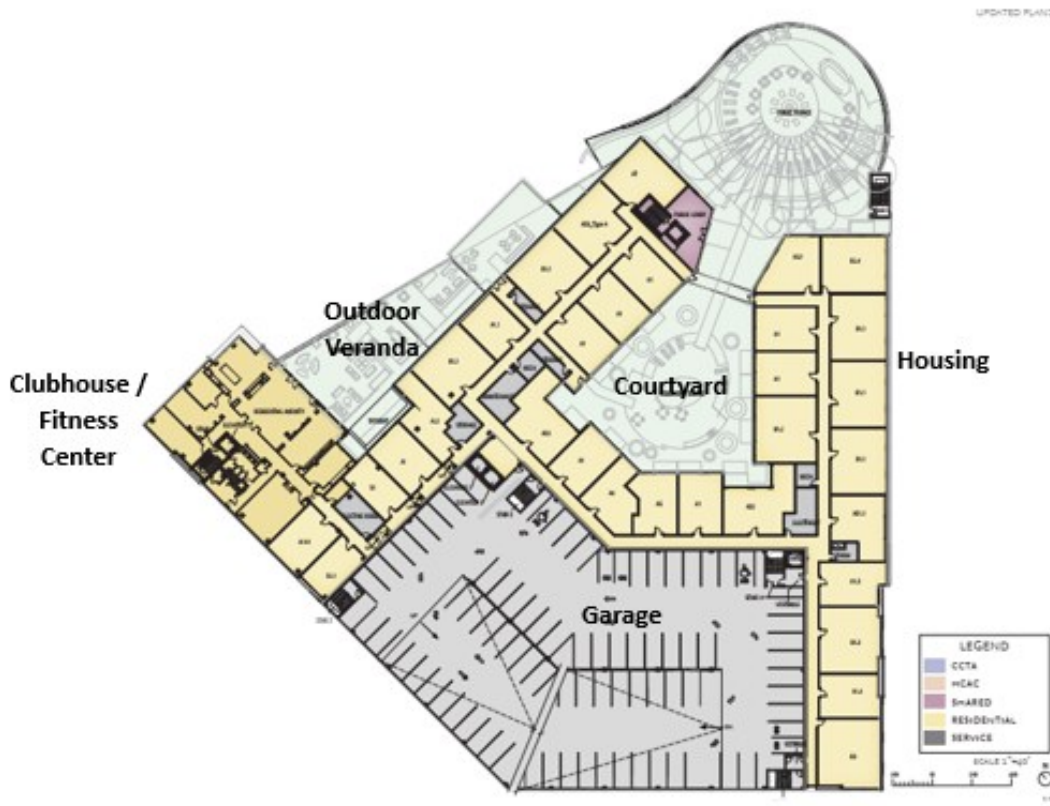


EXHIBIT A. PROJECT DESCRIPTION

DOWNTOWN COLUMBIA PLAN

