

2007 Annual Report

MARYLAND AFFORDABLE
HOUSING TRUST

PRESENTED TO:

**Governor Martin O'Malley
and
The General Assembly of Maryland**



Raymond A. Skinner, Secretary
Maryland Department of
Housing and Community Development

Alice G. Pinderhughes, Esquire, Chair
Maryland Affordable Housing Trust

Maryland Affordable Housing Trust

2007 ANNUAL REPORT

Background

The Maryland Affordable Housing Trust (MAHT) was created by Chapter 265 of the Laws of Maryland 1992 (The Housing and Community Development Article, §§10-101 - 10-301, of the Annotated Code of Maryland, as amended). The purpose of MAHT is to enhance the availability of affordable housing throughout the State by providing assistance for households earning less than 50% of median income, with a preference given to serving households earning less than 30% of median income.

MAHT may solicit and accept gifts, grants, or money from the federal government, State government, local governments or any private source. MAHT also receives interest money earned on certain trust accounts held by title insurers or their agents under §22-103 of the Insurance Article of the Annotated Code of Maryland, as amended. A title insurer or its agent must pool and commingle money received from clients or beneficial owners in connection with escrows, settlements, closings, or title indemnification if, in the judgment of the insurer or its agent, a separate deposit of the trust money would generate interest:

1. of \$50 or less; or
2. in an amount not more than the cost of administering a separate account.

The financial institution in which a commingled account is maintained must pay the interest earned on the account, at least quarterly, less any reasonable and customary service charges of the financial institution, to the Maryland Affordable Housing Trust to enhance the availability of affordable housing throughout the State.

An 11-member Board of Trustees appointed by the Governor receives applications for awards, makes the final decision about the awards, and develops a process for making awards that encourages a broad geographic distribution of funds. The Board reviews requests for funds and distributes awards of fund money for the following activities:

- acquisition, construction, rehabilitation or preservation of affordable housing;
- efforts of nonprofit organizations to develop affordable housing; and
- operating expenses of housing developments that promote affordable housing.

Under the Housing and Community Development Article, §10-110 (b), MAHT is required to submit a report annually to the Governor and General Assembly. The report shall set forth MAHT's complete operating and financial statement and summarize its activities for the preceding fiscal year. This report is submitted in accordance with this requirement.

Financial Summary

In FY 2007, MAHT received \$5,304,388 from interest earned on title companies' escrow accounts, loan repayments and interest earned on the cash balance held in the State Treasury. This represents an increase of \$1,132,261 over revenue received in FY 2006. From its inception in 1992 through the end of fiscal year 2006, MAHT has received \$29,403,733 in revenue. The amount of revenue received each year depends upon interest earned on title trust monies and varies with conditions in the real estate market.

Of the \$29.4 million in revenues received and an additional \$1 million in General Fund Appropriation added in 2007, over \$26 million has been awarded. The balance of approximately \$4.4 million, including recaptured and other funds, is available for future funding rounds. Attachment 1 is a summary of revenues and expenditures to date. At year's end 1,395 title company accounts were active in the program.

Funds Distribution

MAHT funds are distributed through competitive funding rounds each year. Preference is given to funding housing developments that provide the longest term of affordability, and to funding capital projects serving those most in need of affordable housing. Capital projects include costs associated with the construction, acquisition and/or rehabilitation of housing units. Preference is also given to projects that provide both housing and self-sufficiency assistance for families with minor children or for single adults in need of single room occupancy permanent housing.

MAHT financial assistance may also be provided to non-profit developers for capacity building (such as hiring/training staff); operating assistance (including utility and maintenance costs); homeowner assistance (homebuyer counseling/mortgage write-down programs); and predevelopment costs (such as site surveys and architectural design).

Funding Awards

Between October 1, 1992 and June 30, 2007, there were twenty-six rounds of funding, funding for DHCD's Preserving Homeownership initiative and funding for Hurricane Isabel related issues. A total of 467 grants, totaling \$26,189,865, have been awarded. The following activities were funded:

Predevelopment costs	\$ 2,222,380
Capital projects	16,039,523
Operating assistance	2,946,686
Nonprofit capacity building	2,031,115
Working Capital Loans (FY 2003)	250,000
Support Service (includes Homeownership Counseling and Home Owners Preserving Equity "HOPE" initiative)	<u>2,700,161</u>
Total	\$26,189,865

Funding Awards (continued)

Exhibit A is a summary of the activities funded since inception of MAHT and Exhibit A-1 lists the activities funded for fiscal year 2007 only. Exhibits B and B-1 show the geographical distribution of the funds throughout the State from inception and for fiscal year 2007, respectively. Exhibits C and C-1 list the projects that were funded in fiscal year 2007, during funding rounds 25 and 26.

Leverage

MAHT's goal is to use its funds to leverage other funds or to fill the gap in a financing package. In fiscal year 2007, \$4,613,585 in MAHT funds have leveraged over \$96 million in total project and program development costs, a 21:1 ratio. Other funds leveraged include local, State and federal funds, as well as private financing and foundation grants.

Activities

In addition to making awards in two funding rounds, the full Board of Trustees met four times in FY 2007 including one teleconference call.

Financial Audit

During the fiscal year, the financial records of MAHT were audited for the period July 1, 2005 through June 30, 2006. The independent auditors found MAHT's financial statements to present fairly MAHT's financial position for that period. The internal control structure of MAHT and its operations were reported to be in conformance with standards established by the American Institute of Certified Public Accountants. A financial audit of the books and records of MAHT is conducted annually.

Conclusion

MAHT continues to meet its goal of providing flexible financing to enhance the availability of affordable housing throughout the State. During FY 2007, MAHT made fifty-three awards. MAHT has also successfully leveraged other funds and distributed its resources widely throughout the State. MAHT has been able to accomplish its goals and objectives in an efficient manner, as evidenced by the low administrative expenditures. The MAHT Board expects to have two funding rounds per calendar year and to continue to provide housing assistance to Maryland's most needy citizens.

Board of Trustees

Each of the 11 voting members of the Board fills a category specified by the enabling legislation. The board members as of June 2007 are:

<u>MEMBER</u>	<u>CATEGORY</u>
Alice Pinderhughes Attorney-At-Law	Chair, Representing General Public
Paul K. Casey, Esq. Ballard Spahr Andrews & Ingersoll	Representing General Public
Dr. Sandra Edmonds Crewe Professor, Howard University	Representing Social Service Providers
Dale R. McArdle Associated Catholic Charities	Representing nonprofit housing developers
Tonja D. Jenkins Department of the Navy FORMERLY ST. MARY'S COUNTY HOUSING AUTHORITY	Representing Public Housing Authorities
Gregory A. Cross, Esq. Venable LLP	Representing Maryland Center for Community Development
The Honorable Diana M. Fennell - Mayor Town of Colmar Manor	Representing local governments
Maria E. Miller The Shelter Group FORMERLY BANK OF AMERICA	Representing State financial institutions
Betty Jean Murphy, President Savannah Development Corporation	Representing for-profit housing developers
(Vacant)	Representing State title companies
Albert (Buz) Winchester Retired	Representing General Public
(Vacant)	Ex officio, Representing President of the Senate
(Vacant)	Ex officio, Representing Speaker of the House
Raymond A. Skinner Secretary	Ex officio, Maryland Department of Housing and Community Development

Exhibit A

MARYLAND AFFORDABLE HOUSING TRUST

Awards Made in Rounds 1 - 26
October 1, 1992 through June 30, 2007

Funding Cycle	Capital	Capacity	Other*	Predev	Operating	Support	Total
Round 1	\$ 60,710	\$ 141,115	\$ -	\$ -	\$ 148,800	\$ 189,010	\$ 539,635
Round 2	\$ 313,675	\$ 50,000	\$ -	\$ -	\$ -	\$ 167,650	\$ 531,325
Round 3	\$ 315,353	\$ 49,500	\$ -	\$ 45,200	\$ 100,000	\$ 56,000	\$ 566,053
Round 4	\$ 375,000	\$ -	\$ -	\$ 37,300	\$ 124,245	\$ 70,600	\$ 607,145
Round 5	\$ 175,000	\$ -	\$ -	\$ 58,000	\$ 285,344	\$ 134,400	\$ 652,744
Round 6	\$ 335,740	\$ 10,000	\$ -	\$ 135,000	\$ 7,390	\$ 111,500	\$ 599,630
Round 7	\$ 379,867	\$ 50,000	\$ -	\$ 110,000	\$ 81,756	\$ 46,900	\$ 668,523
Round 8	\$ 513,330	\$ -	\$ -	\$ 137,000	\$ 52,945	\$ 5,250	\$ 708,525
Round 9	\$ 412,100	\$ -	\$ -	\$ 117,500	\$ 118,300	\$ 139,467	\$ 787,367
Round 10	\$ 448,450	\$ 30,000	\$ -	\$ 50,000	\$ 127,700	\$ 69,000	\$ 725,150
Round 11	\$ 524,853	\$ 100,000	\$ -	\$ 60,130	\$ 96,475	\$ 58,000	\$ 839,458
Round 12	\$ 653,870	\$ 62,500	\$ -		\$ 50,000	\$ 33,750	\$ 800,120
Round 13	\$ 549,000	\$ 50,000	\$ -	\$ 38,000	\$ 17,000	\$ 75,000	\$ 729,000
Round 14	\$ 584,650	\$ 52,500	\$ -	\$ 102,000	\$ 11,250	\$ 50,000	\$ 800,400
Round 15	\$ 610,850	\$ 33,000	\$ -	\$ 171,000	\$ 42,500	\$ 12,500	\$ 869,850
Round 16	\$ 707,500	\$ 5,000	\$ -	\$ 128,750	\$ 100,000	\$ 80,000	\$ 1,021,250
Round 17	\$ 503,200	\$ -	\$ -	\$ -	\$ 77,500	\$ 52,500	\$ 633,200
Capacity Building	\$ -	\$ 1,021,000	\$ 250,000	\$ -	\$ -	\$ -	\$ 1,271,000
Round 18	\$ 745,130	\$ 102,150	\$ -	\$ 65,000	\$ 73,720	\$ -	\$ 986,000
Round 19	\$ 610,000	\$ 45,000	\$ -	\$ 75,000	\$ 248,500	\$ -	\$ 978,500
Round 20 (with HI)	\$ 670,063	\$ 36,000	\$ -	\$ -	\$ 114,760	\$ 18,000	\$ 838,823
Hurricane Isabel	\$ 365,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 365,000
Round 21	\$ 648,000	\$ 17,850	\$ -	\$ -	\$ 115,150	\$ 117,350	\$ 898,350
Round 22	\$ 834,700	\$ -	\$ -	\$ 150,000	\$ 87,500	\$ -	\$ 1,072,200
Round 23	\$ 1,230,700	\$ -		\$ 282,500	\$ 221,350	\$ 48,300	\$ 1,782,850
Round 24	\$ 967,782	\$ -	\$ -	\$ 65,000	\$ 213,500	\$ 57,900	\$ 1,304,182
Round 25	\$ 1,064,424	\$ 45,000		\$ 45,000	\$ 207,872	\$ 22,658	\$ 1,384,954
Round 26	\$ 1,440,576	\$ 130,500		\$ 350,000	\$ 223,129	\$ 1,084,426	\$ 3,228,631
Total	\$ 16,039,523	\$ 2,031,115	\$ 250,000	\$ 2,222,380	\$ 2,946,686	\$ 2,700,161	\$ 26,189,865
<i>Percent</i>	62%	8%	1%	8%	11%	10%	100%

*Working Capital Loans

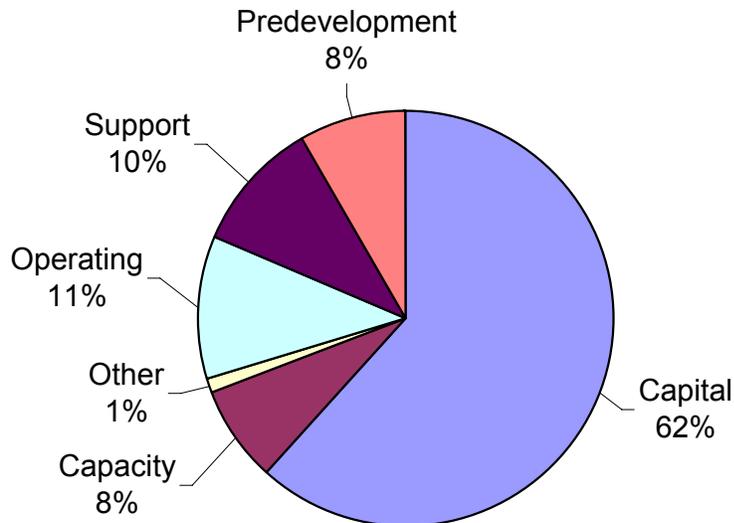


Exhibit A-1

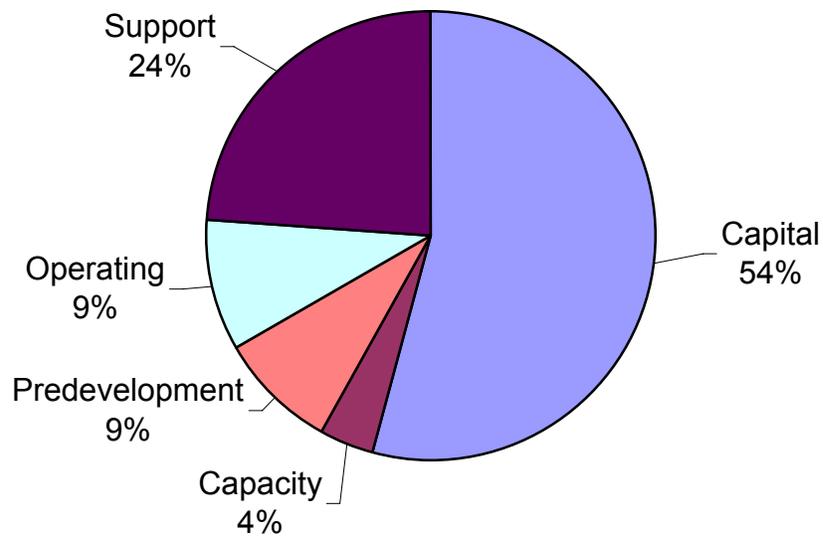
MARYLAND AFFORDABLE HOUSING TRUST

Awards Summary

Fiscal Year 2006 (*July 1, 2006 through June 30, 2007*)

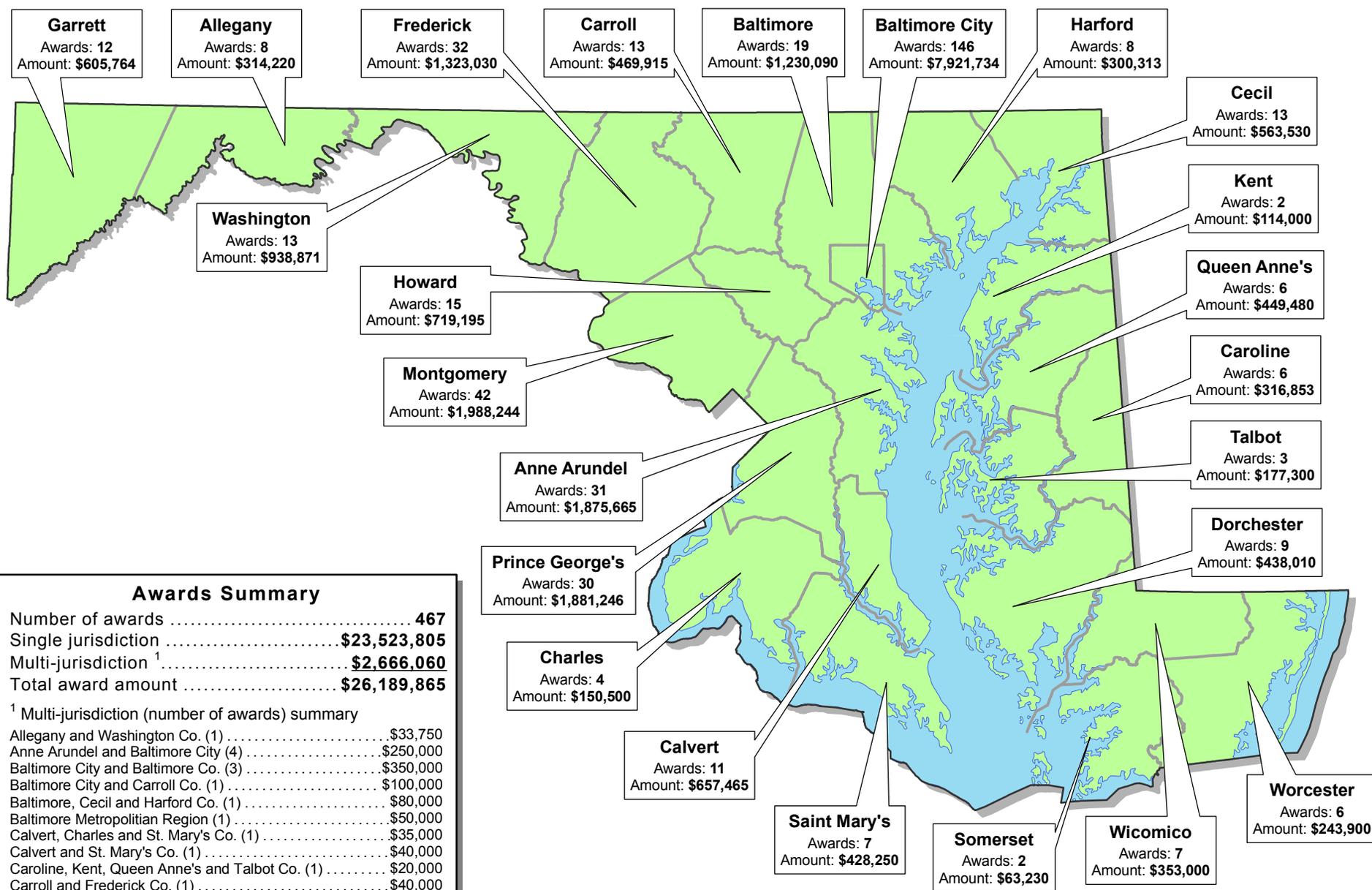
Activity Funded		Amount
Capital Projects	\$	2,505,000
Predevelopment		395,000
Operating Assistance		431,001
Support Services		1,107,084
Capacity Building		175,500
Total	\$	4,613,585

Rounds 25 and 26 by Activity Funded



Maryland Affordable Housing Trust

Awards by Jurisdiction: Rounds 1 - 26



Awards Summary

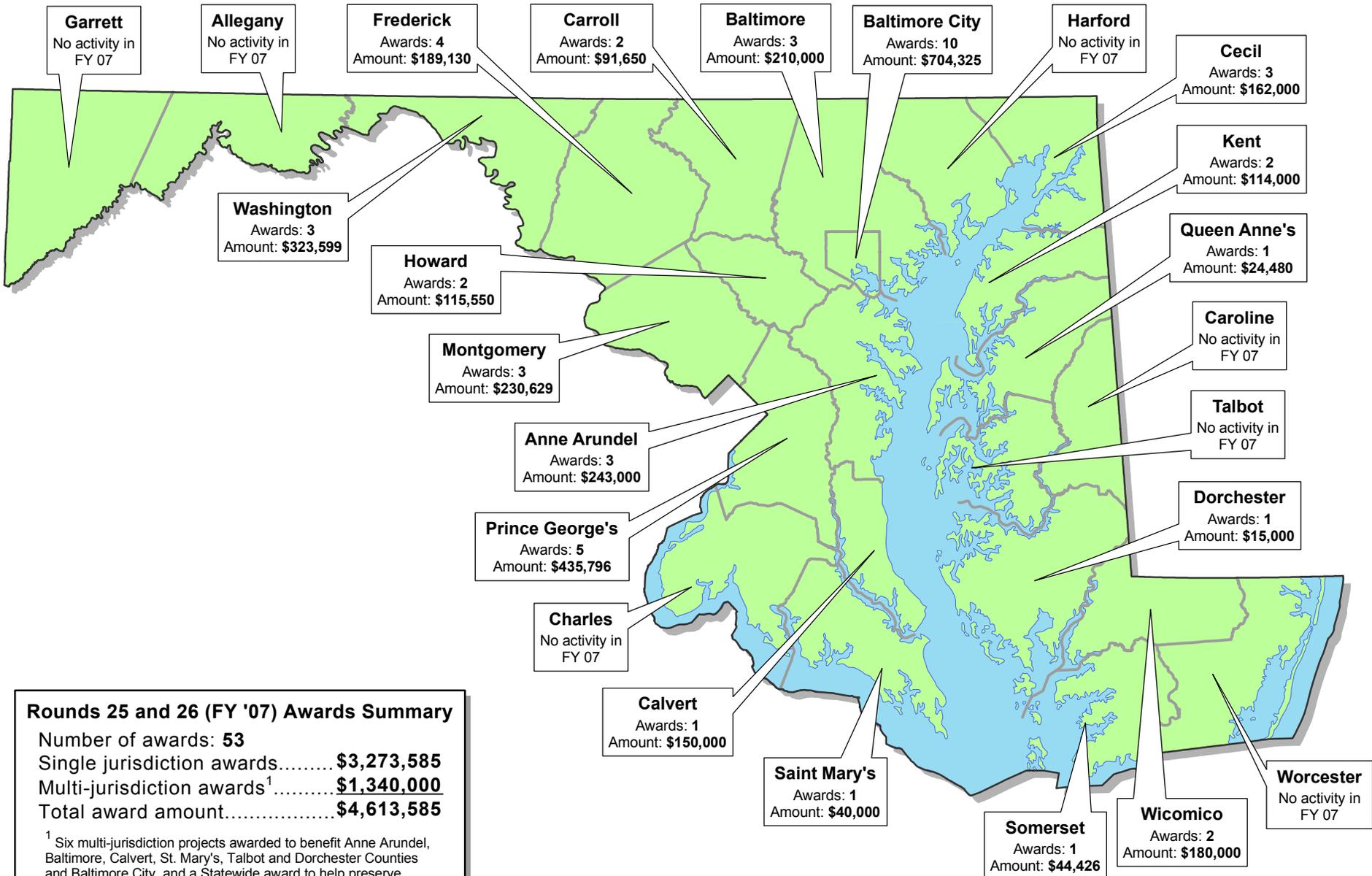
Number of awards	467
Single jurisdiction	\$23,523,805
Multi-jurisdiction ¹	\$2,666,060
Total award amount	\$26,189,865

¹ Multi-jurisdiction (number of awards) summary

Allegany and Washington Co. (1)	\$33,750
Anne Arundel and Baltimore City (4)	\$250,000
Baltimore City and Baltimore Co. (3)	\$350,000
Baltimore City and Carroll Co. (1)	\$100,000
Baltimore, Cecil and Harford Co. (1)	\$80,000
Baltimore Metropolitan Region (1)	\$50,000
Calvert, Charles and St. Mary's Co. (1)	\$35,000
Calvert and St. Mary's Co. (1)	\$40,000
Caroline, Kent, Queen Anne's and Talbot Co. (1)	\$20,000
Carroll and Frederick Co. (1)	\$40,000
Frederick and Washington Co. (2)	\$116,000
Talbot and Dorchester Co. (1)	\$100,000
Maryland statewide (4)	\$1,451,310

Maryland Affordable Housing Trust

Awards by Jurisdiction: Rounds 25 and 26 (FY 2007)



Rounds 25 and 26 (FY '07) Awards Summary	
Number of awards:	53
Single jurisdiction awards.....	\$3,273,585
Multi-jurisdiction awards ¹	\$1,340,000
Total award amount.....	\$4,613,585

¹ Six multi-jurisdiction projects awarded to benefit Anne Arundel, Baltimore, Calvert, St. Mary's, Talbot and Dorchester Counties and Baltimore City, and a Statewide award to help preserve homeowner equity through housing counseling and access to foreclosure prevention loans.

Exhibit C
MARYLAND AFFORDABLE HOUSING TRUST
Fiscal Year 2007 Awards
Round 25

ORGANIZATION	PROJECT	JURISDICTION	AWARD
Arundel Habitat for Humanity, Inc.	Baybrook and Anne Arundel	Baltimore City, Anne Arundel	\$ 50,000
Arundel House of Hope, Inc.	Safe Haven Program	Anne Arundel	\$ 15,000
The Baltimore Station, Inc.	South Baltimore Station Expansion	Baltimore City	\$ 45,000
Chesapeake Habitat for Humanity, Inc.	Middle East Neighborhood & Affordable Housing Project	Baltimore City	\$ 50,000
City of Westminster	Affordable Housing Initiative	Carroll	\$ 30,000
Civic Works, Inc.	Better Roofing Program	Baltimore City	\$ 90,000
Community Coalition for Affordable Housing, Inc.	Program Expansion	Cecil	\$ 47,000
Comprehensive Housing Assistance, Inc.	Weinberg Village III	Baltimore	\$ 100,000
Domestic Violence Center of Howard County, Inc.	Supportive Housing for Domestic Violence Victims	Howard	\$ 15,550
Frederick County Community Action Agency	Housing Rehabilitation Program	Frederick	\$ 50,000
Grassroots Crisis Intervention Center, Inc.	Building Project	Howard	\$ 100,000
Habitat for Humanity of Wicomico County, Inc.	E. Church St. Neighborhood & Kirkwood Subdivision	Wicomico	\$ 30,000
Homes for America, Inc.	Chesapeake Apartments	Cecil	\$ 100,000
House of Freedom, Inc.	House of Hope	Baltimore City	\$ 100,000
Housing Authority of St. Mary's County	Old St. Andrews Road Demolition	St. Mary's	\$ 40,000
Housing Initiative Partnership, Inc.	Capacity Building	Prince George's	\$ 45,000
Nehemiah House, Inc	Shelter Capital Project Renovations	Baltimore	\$ 20,000
Patuxent Habitat for Humanity, Inc.	Building Affordable Housing in Southern Maryland	Calvert, St. Mary's	\$ 40,000
Queen Anne's County Christian Assistance	Our Haven Shelter	Queen Anne's	\$ 24,480
Rebuilding Together - Baltimore, Inc.	Critical Repairs	Baltimore City and Baltimore County	\$ 50,000
Rebuilding Together - Montgomery County, Inc.	Volunteer Home Repair and Modification	Montgomery	\$ 32,500
Sandtown Habitat for Humanity, Inc.	The Twenty-Home Sandtown Project	Baltimore City	\$ 90,000
Way Station, Inc.	Homeless Veterans Housing Partnership - Phase II	Washington	\$ 73,599
The Women's Housing Coalition, Inc.	Margaret J. Bennett House	Baltimore City	\$ 56,825
Young Women's Christian Association of the Greater Baltimore Area, Inc.	Arbutus 90-day Emergency Shelter	Baltimore	\$ 90,000
ROUND TOTAL			\$ 1,384,954

Exhibit C-1
MARYLAND AFFORDABLE HOUSING TRUST
Fiscal Year 2007 Awards
Round 26

ORGANIZATION	PROJECT	JURISDICTION	AWARD
DHCD	HOPE initiative	Statewide	\$ 1,000,000
Advocates for Homeless Families, Inc.	MPDU purchase for Transitional Housing	Frederick	\$ 88,430
AIDS Interfaith Residential Services, Inc.	Lakeview Properties	Baltimore City	\$ 150,000
AIDS Interfaith Residential Services, Inc.	McCulloh Street Youth Transitional Housing	Baltimore City	\$ 52,500
Annapolis Area Ministries, Inc.	Light House Shelter	Anne Arundel	\$ 78,000
Arundel Habitat for Humanity, Inc.	Affordable Housing in Brooklyn, Curtis Bay and Annapolis	Anne Arundel, Baltimore City	\$ 100,000
The Bethel Corporation	Bethel Gardens	Washington	\$ 100,000
Chesapeake Habitat for Humanity, Inc.	Ward Street Stabilization Project	Baltimore City	\$ 45,000
Coalition Homes, Inc.	Creative Housing Innovation Pilot Program (CHIPP)	Montgomery	\$ 150,000
Community Living, Inc.	Meadowgrove Group Home	Frederick	\$ 25,700
The Corporation for Healthy Homes and Economic Development	Chaplin's Cove	Wicomico	\$ 150,000
EBED Community Improvement, Inc.	Tara Court	Prince George's	\$ 150,000
Granite House, Inc.	Liberty Street Trailer Replacement	Carroll	\$ 61,650
Guide Programs, Inc.	Nashville Homes Project	Prince George's	\$ 40,796
Habitat for Humanity of Talbot and Dorchester Counties	More Homebuilding Capacity on the Mid-Shore	Talbot & Dorchester	\$ 100,000
Hannah's Aftercare and Rehabilitation Center, Inc.	Hannah's Aftercare and Rehabilitation Center	Montgomery	\$ 48,129
Harambee Community Development Corporation, Inc.	My Sister's Keeper	Prince George's	\$ 50,000
Homes for America, Inc.	Clare Court	Baltimore City	\$ 25,000
Hope Alive, Inc.	Hope Alive Transitional Housing Program	Frederick	\$ 25,000
Housing Authority of Calvert County	Project Echo Homeless Shelter	Calvert	\$ 150,000
Housing Authority of the City of Annapolis	Clay Street Revitalization	Anne Arundel	\$ 150,000
Kent Center, Inc.	Capital Improvements and Repairs	Kent	\$ 100,000
Meeting Ground	George Porter Transitional Housing	Cecil	\$ 15,000
New Beginnings Youth and Family Services	Raising the Bar of Education Excellence	Dorchester	\$ 15,000
New Princess Anne Townhomes, LP	Princess Anne Townhomes	Somerset	\$ 44,426
Rebuilding Together, Kent County, MD, Inc.	Rehabilitation Project	Kent	\$ 14,000
Victory Crest, Inc.	Victory Crest	Prince George's	\$ 150,000
Way Station, Inc	Kirkland Homes, Inc.	Washington	\$ 150,000
ROUND TOTAL			\$ 3,228,631