

2008 Maryland Affordable Housing Trust
ANNUAL REPORT

PRESENTED TO:
Governor Martin O'Malley
and
The Maryland General Assembly



RAYMOND A. SKINNER, *Secretary*
Maryland Department of Housing and Community Development

ALICE G. PINDERHUGHES, *Esquire, Chair*
Maryland Affordable Housing Trust

Maryland Affordable Housing Trust

2008 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, which 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 fiscal year 2008, MAHT received \$3,111,988 from interest earned on title companies' escrow accounts, loan repayments and interest earned on the cash balance held in the State Treasury. This represents a decrease of over \$2.1 million from revenue received in FY 2007. From its inception in 1992 through the end of fiscal year 2008, MAHT has received \$32,515,721 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 \$32.5 million in revenues received and an additional \$1 million in General Fund Appropriation added in 2007, over \$29.8 million has been awarded. The balance of approximately \$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 1,539 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, 2008, there has been funding of twenty-eight rounds, funding for DHCD's Preserving Homeownership initiative and funding for Hurricane Isabel related issues. A total of 519 grants, totaling \$29,882,703 have been awarded. The following activities were funded:

Predevelopment costs	\$ 2,402,380
Capital projects	18,978,348
Operating assistance	3,174,449
Nonprofit capacity building	2,031,115
Working Capital Loans (FY 2003)	250,000
Support Service	<u>3,046,411</u>
(includes Homeownership Counseling and Home Owners Preserving Equity "HOPE" initiative)	
Total	\$29,882,703

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 2008 only. Exhibits B and B-1 show the geographical distribution of the funds throughout the State from inception and for fiscal year 2008, respectively. Exhibits C and C-1 list the projects that were funded in fiscal year 2008, during funding rounds 27 and 28.

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 2008, \$3,692,838 in MAHT funds have leveraged over \$74,396,590 million in total project and program development costs, a 20:1 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 fiscal year 2008 including one teleconference call.

Financial Audit

During the fiscal year, the financial records of MAHT were audited for the period July 1, 2006 through June 30, 2007. 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 fiscal year 2008, MAHT made fifty-two 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 2008 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
Eric Brown Annapolis Housing Authority	Representing Public Housing Authorities
(Vacant)	Representing General Public
The Honorable Diana M. Fennell - Mayor Town of Colmar Manor	Representing local governments
Bert J. Hash, Jr. Municipal Employees Credit Union of Baltimore	Representing State financial institutions
Kenneth Banks, President Banks Contracting	Representing for-profit housing developers
Linda L. Rose Chicago Title Insurance Company	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

Attachment 1

MARYLAND AFFORDABLE HOUSING TRUST

Summary of Revenues and Expenditures October 1, 1992 Through June 30, 2008

Revenue from Interest Earned by Title Companies and on the MAHT account with the Treasurer	\$32,515,721
Awards cancelled, decreased, repaid	2,259,596
Return of unused funds, loan repayments	691,207
Donations	13,359
2007 General Fund Appropriation	1,000,000
Grant Awards	(29,882,703)
Administrative Expenses	(295,717)*
Budget Revision under 2003 House Bill 40	(2,300,000)
	=====
Balance Available for Future Funding Rounds	4,001,463
	=====

- * Up to 5% of Trust monies may be used for actual operating and staffing expenses (The Housing and Community Development Article, §§10-105 (a)(2), of the Annotated Code of Maryland, as amended)

Exhibit A

MARYLAND AFFORDABLE HOUSING TRUST

Awards Made in Rounds 1 - 28
October 1, 1992 through June 30, 2008

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
Round 27	\$ 2,005,615			\$ 180,000	\$ 159,763	\$ 170,960	\$ 2,516,338
Round 28	\$ 933,210				\$ 68,000	\$ 175,290	\$ 1,176,500
Total	\$ 18,978,348	\$ 2,031,115	\$ 250,000	\$ 2,402,380	\$ 3,174,449	\$ 3,046,411	\$ 29,882,703
Percent	64%	7%	1%	8%	11%	10%	100%

*Working Capital Loans

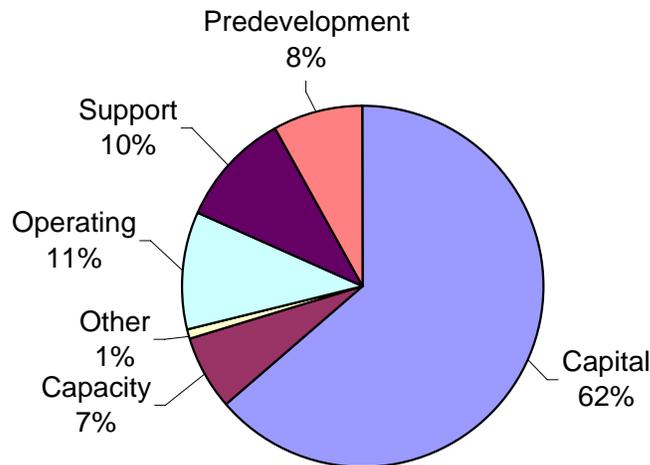


Exhibit A-1

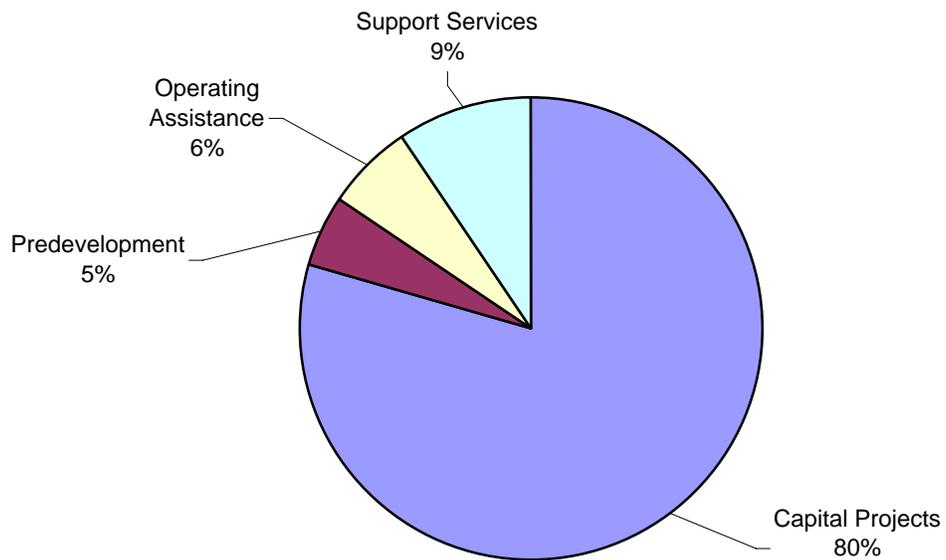
MARYLAND AFFORDABLE HOUSING TRUST

Awards Summary

Fiscal Year 2008 (July 1, 2007 through June 30, 2008)

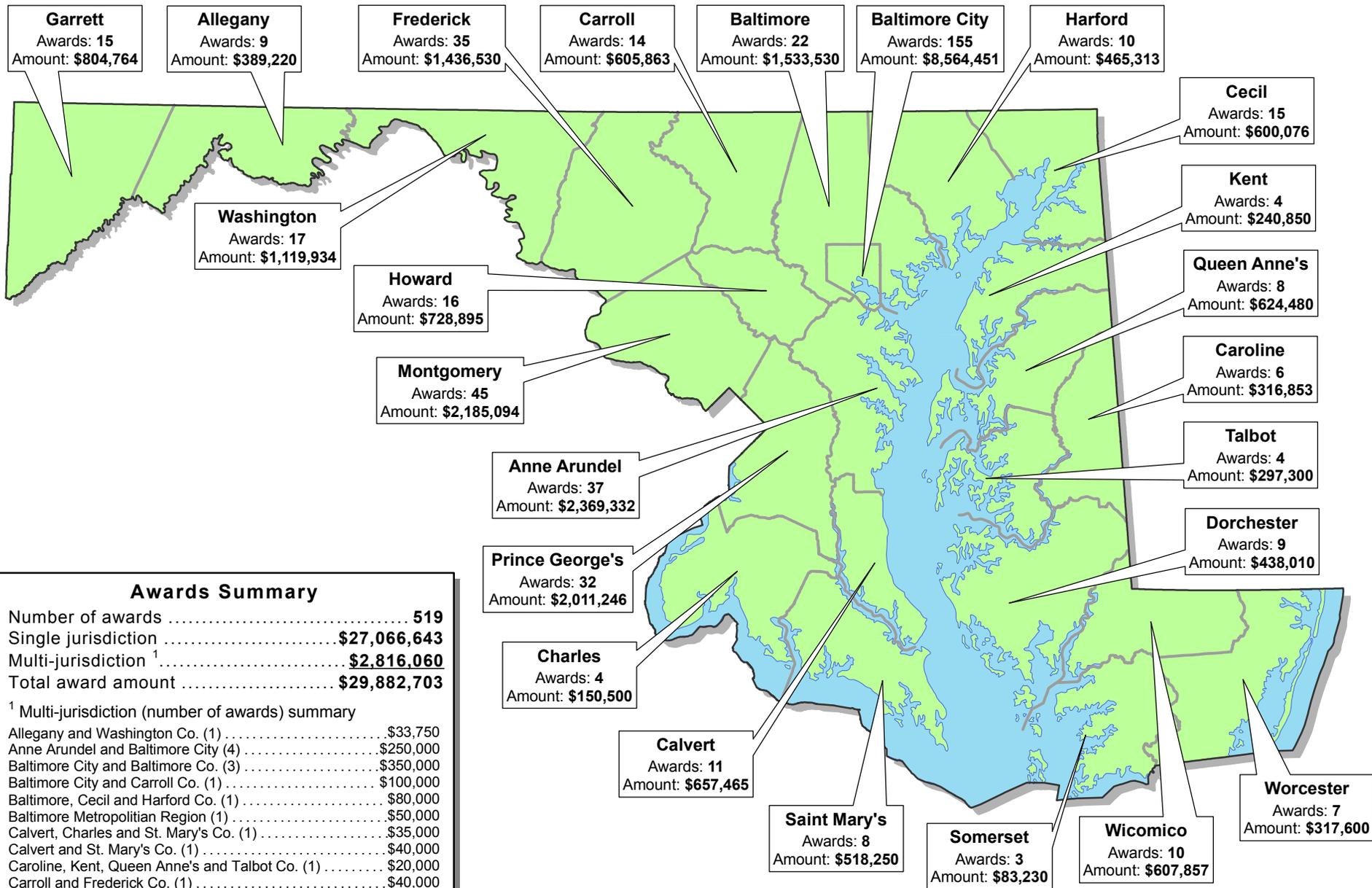
Activity Funded		Amount
Capital Projects	\$	2,938,825
Predevelopment		180,000
Operating Assistance		227,763
Support Services		346,250
Capacity Building		0
Total	\$	3,692,838

Rounds 27 and 28 by Activity Funded



Maryland Affordable Housing Trust

Awards by Jurisdiction: Rounds 1 - 28



Awards Summary

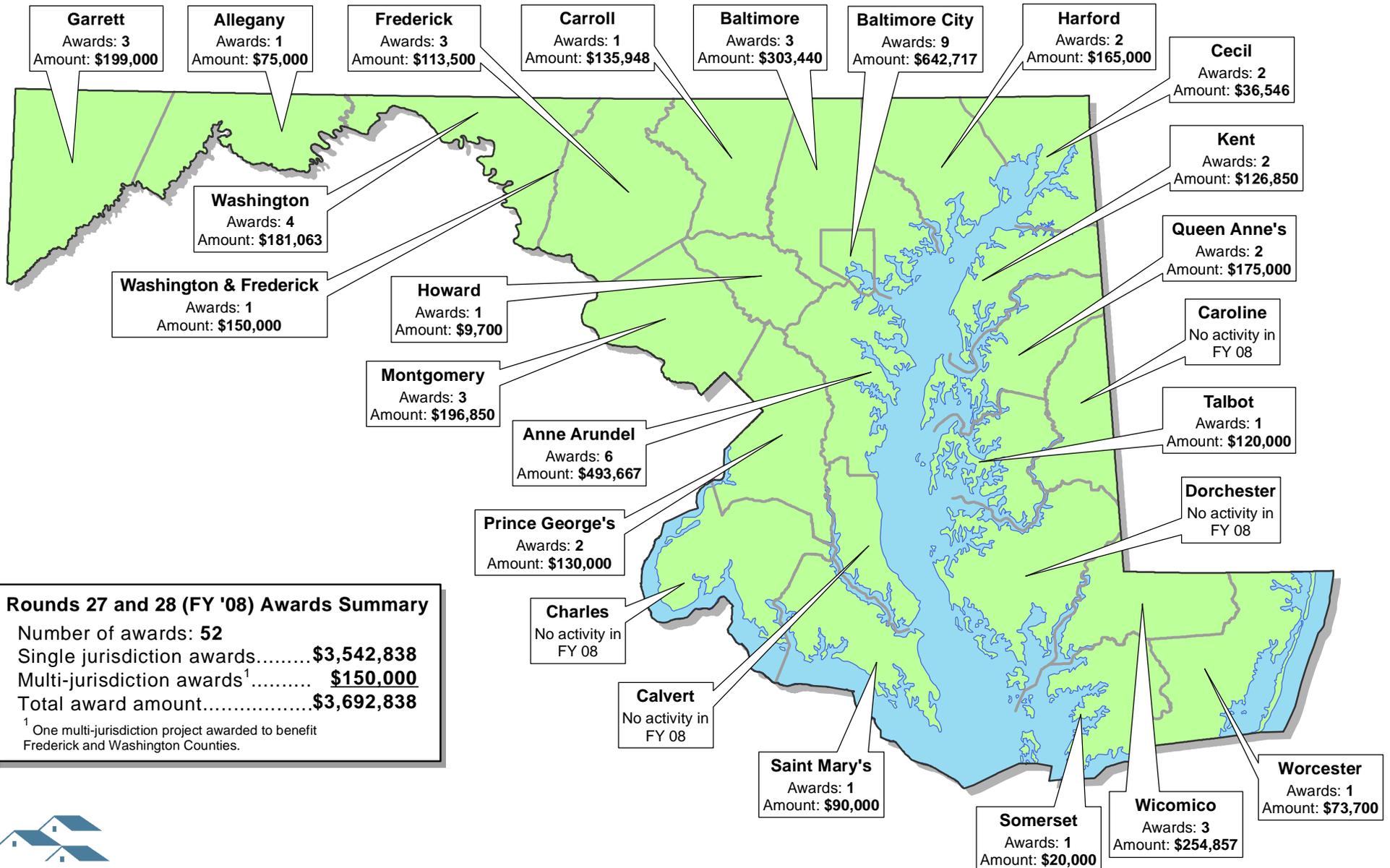
Number of awards	519
Single jurisdiction	\$27,066,643
Multi-jurisdiction ¹	\$2,816,060
Total award amount	\$29,882,703

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. (3)	\$266,000
Talbot and Dorchester Co. (1)	\$100,000
Maryland statewide (4)	\$1,451,310

Maryland Affordable Housing Trust

Awards by Jurisdiction: Rounds 27 and 28 (FY 2008)



Rounds 27 and 28 (FY '08) Awards Summary

Number of awards: **52**

Single jurisdiction awards.....**\$3,542,838**

Multi-jurisdiction awards¹..... **\$150,000**

Total award amount.....**\$3,692,838**

¹ One multi-jurisdiction project awarded to benefit Frederick and Washington Counties.



Martin O'Malley, Governor
 Anthony G. Brown, Lt. Governor
 Raymond A. Skinner, Secretary
 Clarence J. Snuggs, Deputy Secretary

Exhibit C
MARYLAND AFFORDABLE HOUSING TRUST
Fiscal Year 2008 Awards
Round 27

ORGANIZATION	PROJECT	JURISDICTION	AWARD
A Step Forward, Inc.	ASF Oxford Model House	Baltimore City	\$73,500
Annapolis Area Ministries, Inc.	Lighthouse Shelter	Anne Arundel	declined award
Arundel Community Development Services, Inc.	Property Reconstruction Program	Anne Arundel	\$60,000
Arundel House of Hope	Safe Haven Program	Anne Arundel	\$15,000
Associated Catholic Charities/Odenton Senior Housing, Inc.	Catholic Charities Senior Housing at Odenton Town Center	Anne Arundel	\$150,000
Bello Machre, Inc.	Fire Sprinkler Project	Anne Arundel	\$148,667
Bon Secours of Maryland Foundation, Inc.	Resident Services	Baltimore City	\$65,000
Chesapeake Habitat for Humanity, Inc.	East Baltimore Project and Pen Lucy	Baltimore City	\$75,000
Community Coalition for Affordable Housing	Community Coalition for Affordable Housing	Cecil	\$22,000
Congregations Concerned for the Homeless	Housing Maintenance Gap Funding	Howard	\$9,700
Diakonia, Inc.	Diakonia Transitional Housing Initiative	Worcester	\$73,700
Enterprise Housing Corporation of Maryland, Inc.	Senior Housing Community at Rolling Road	Baltimore County	\$150,000
Foundation for Community Partnership, Inc.	Our Haven Shelter	Queen Anne's	\$25,000
Frederick County Community Action Agency	FCAA Housing Rehabilitation Program	Frederick	\$50,000
Garrett County Community Action Committee, Inc.	Summer Breeze Group Workcamp	Garrett	\$19,000
Garrett County Community Action Committee, Inc., Liberty Square Limited Partnership	Liberty Square	Garrett	\$150,000
Habitat for Humanity for Montgomery County MD, Inc.	Habitat Community In Burtonsville MD	Montgomery	\$100,000
Habitat for Humanity of Wicomico County, Inc.	Housing Project	Wicomico	\$60,000
Harford Habitat for Humanity, Inc.	Holloway Lane and Village Drive	Harford	\$90,000
Homes for America	Corner House	Harford	\$75,000
Housing Authority of St. Mary's County	New Phoenix Housing	St. Mary's	\$90,000

Exhibit C
MARYLAND AFFORDABLE HOUSING TRUST
Fiscal Year 2008 Awards
Round 27 (continued)

Kairos Development Corporation, Inc.	Kairos Meadows	Prince George's	\$30,000
Main Street Housing, Inc.	Talbot County Housing Initiative	Talbot	\$120,000
Ohana Homes, Inc.	Ohana Homes	Carroll	\$135,948
Queen Anne's County Housing Authority	Sudlersville Assisted Living Facility	Queen Anne's	\$150,000
Religious Coalition for Emergency Human Needs, Inc.	Religious Coalition Shelter Program	Frederick	\$50,500
Sandtown Habitat for Humanity, Inc.	2008 15-House Building Project	Baltimore City	\$150,000
Transitioning Lives, Inc.	Transitioning Lives, Inc.	Baltimore City	\$17,260
Washington County Community Partnership for Children and Families	Washington County Bridge Program	Washington	\$61,063
Way Station, Inc.	Maher Homes Project	Washington and Frederick	\$150,000
Wicomico County Housing Authority	Booth Street Redevelopment	Wicomico	\$150,000
TOTAL			\$2,516,338

Exhibit C-1
MARYLAND AFFORDABLE HOUSING TRUST
Fiscal Year 2008 Awards
Round 28

ORGANIZATION	PROJECT	JURISDICTION	AWARD
Annapolis Area Ministries	Light House Shelter	Anne Arundel	\$100,000
Arundel House of Hope	WISH Program	Anne Arundel	20,000
Civic Works, Inc.	Civic Works	Baltimore City	\$70,000
Corporation for Healthy Homes and Economic Development	Eastern Shore Housing Rehab	Wicomico	\$44,857
Family Service Foundation, Inc.	Hughes Homes, Inc.	Baltimore County	\$100,000
Garrett County Habitat for Humanity, Inc.	Hope Land Village, Phase IV	Garrett	\$30,000
Govens Ecumenical Development Corporation & Epiphany House Limited Partnership	Epiphany House	Baltimore City	\$30,000
Habitat for Humanity of Washington County	Lanvale Street House and Smithsburg Whispering Hills Project	Washington	\$30,000
House of Freedom, Inc.	House of Freedom Project - Phase II	Baltimore City	\$100,000
Hope Alive, Inc.	Transitional Housing Program	Frederick	\$13,000
Housing Authority of the City of Cumberland	Sperry Terrace Estates	Allegany	\$75,000
Interfaith Service Coalition	Good Samaritan House	Washington	\$15,000
Kent Center, Inc.	Capital Improvements to Residences	Kent	\$46,850
Kent County, Board of Commissioners	Kent County Housing Improvement Program-Phase VII	Kent	\$80,000
Montgomery County Coalition for the Homeless, Inc.	Tenant Based Rental Assistance (TBRA) Supportive Housing Project	Montgomery	\$51,850
New Princess Anne Townhomes, LP	Princess Anne Townhomes	Princess Anne	\$20,000
Rebuilding Together Montgomery County	Critical Needs Program	Montgomery	\$45,000
Vesta, Inc.	Vesta Enteka, Inc.	Prince George's	\$100,000
Washington County Community Action Council, Inc.	Affordable Homes Program	Washington	\$75,000
Wayfarer's House, Inc./Meeting Ground	George Porter Transitional Housing Program	Cecil	\$14,546

Exhibit C-1
MARYLAND AFFORDABLE HOUSING TRUST
Fiscal Year 2008 Awards
Round 28 (continued)

Women's Housing Coalition	Calverton/Bennett Residence Roof Replacement	Baltimore City	\$61,957
YWCA of Greater Baltimore Area, Inc.	Eleanor D. Corner 90-Day Emergency Shelter	Baltimore County	\$53,440
TOTAL			\$1,176,500



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