

2009 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

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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 2009, MAHT received \$1,738,381 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 \$1.5 million from revenue received in fiscal year 2008. From its inception in 1992 through the end of fiscal year 2009, MAHT has received over \$34 million 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 over \$34 million in revenues received and an additional \$1 million General Fund Appropriation added in 2007, over \$33 million has been awarded. The balance of approximately \$2.3 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 1,649 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, 2009, there have been thirty competitive funding rounds, as well as funding for DHCD's Preserving Homeownership initiative and for Hurricane Isabel related issues. A total of 558 grants, totaling \$33,138,396 have been awarded. The following activities were funded:

Predevelopment costs	\$ 2,551,345
Capital projects	21,691,074
Operating assistance	3,453,151
Nonprofit capacity building	2,046,415
Working Capital Loans (FY 2003)	250,000
Support Service	<u>3,146,411</u>
(includes Homeownership Counseling and Home Owners Preserving Equity "HOPE" initiative)	
Total	\$33,138,396

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 2009 only. Exhibits B and B-1 show the geographical distribution of the funds throughout the State from inception and for fiscal year 2009, respectively. Exhibits C and C-1 list the projects that were funded in fiscal year 2009, during funding rounds 29 and 30.

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 2009, \$3,255,693 in MAHT funds leveraged over \$69 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 fiscal year 2009 including one teleconference call.

Financial Audit

During the fiscal year, the financial records of MAHT were audited for the period July 1, 2007 through June 30, 2008. 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 2009, MAHT made thirty-nine 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 2009 are:

<u>MEMBER</u>	<u>CATEGORY</u>
Alice G. Pinderhughes Attorney-At-Law	Chair, Representing General Public
Paul K. Casey, Esq. Ballard Spahr LLP	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 C. Brown Annapolis Housing Authority	Representing Public Housing Authorities
Elizabeth S. Glenn Baltimore County Office of Community Conservation	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
Rona E. Kramer Senator	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, 2009

Revenue from Interest Earned by Title Companies and on the MAHT account with the Treasurer	\$34,112,873
Awards cancelled, decreased, repaid	2,279,082
Return of unused funds, loan repayments	841,219
Donations	13,359
2007 General Fund Appropriation	1,000,000
FY 09 Reduction in General Fund contingent liability	(8,784)
Grant Awards	(33,138,396)
Administrative Expenses	(409,040)*
Budget Revision under 2003 House Bill 40	(2,300,000)
	=====
Balance Available for Future Funding Rounds	2,390,313
	=====

- * 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 - 30
October 1, 1992 through June 30, 2009

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
Round 29	\$ 2,183,726	\$ 15,300	\$ -	\$ 148,965	\$ 163,702	\$ 15,000	\$ 2,526,693
Round 30	\$ 529,000	\$ -	\$ -	\$ -	\$ 115,000	\$ 85,000	\$ 729,000
Total	\$ 21,691,074	\$ 2,046,415	\$ 250,000	\$ 2,551,345	\$ 3,453,151	\$ 3,146,411	\$ 33,138,396
Percent	65%	6%	1%	8%	10%	10%	100%

*Working Capital Loans

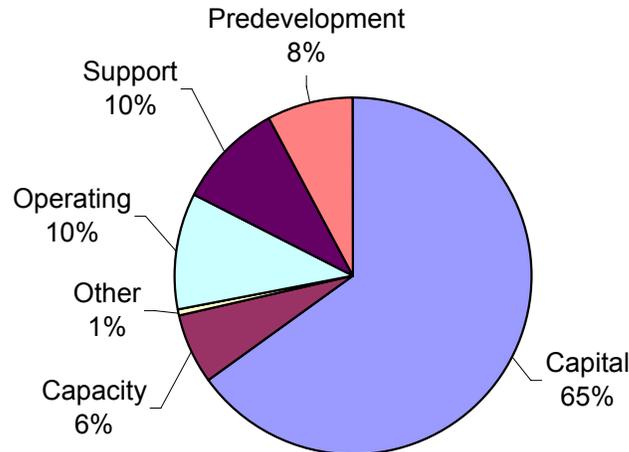


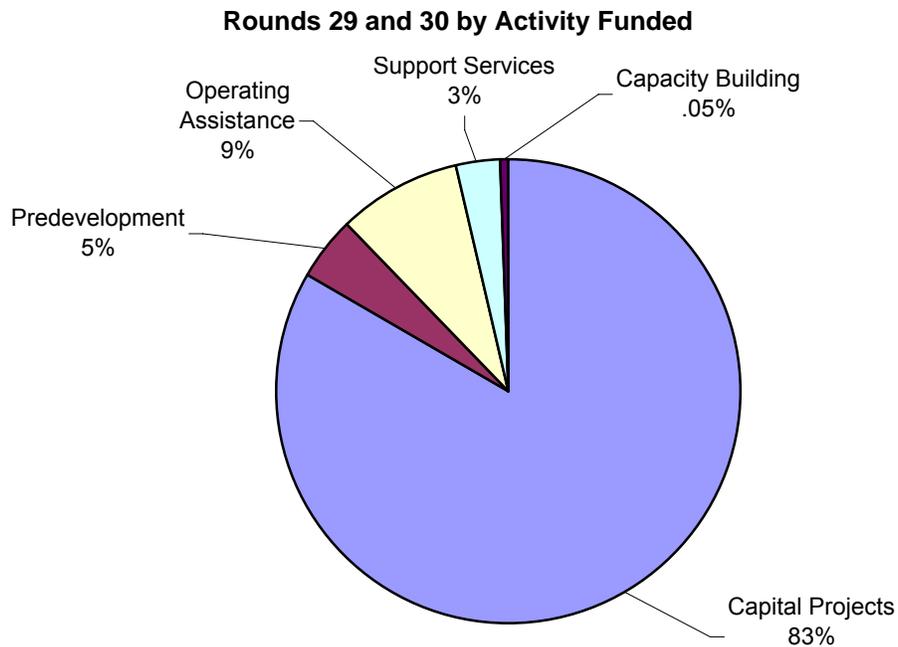
Exhibit A-1

MARYLAND AFFORDABLE HOUSING TRUST

Awards Summary

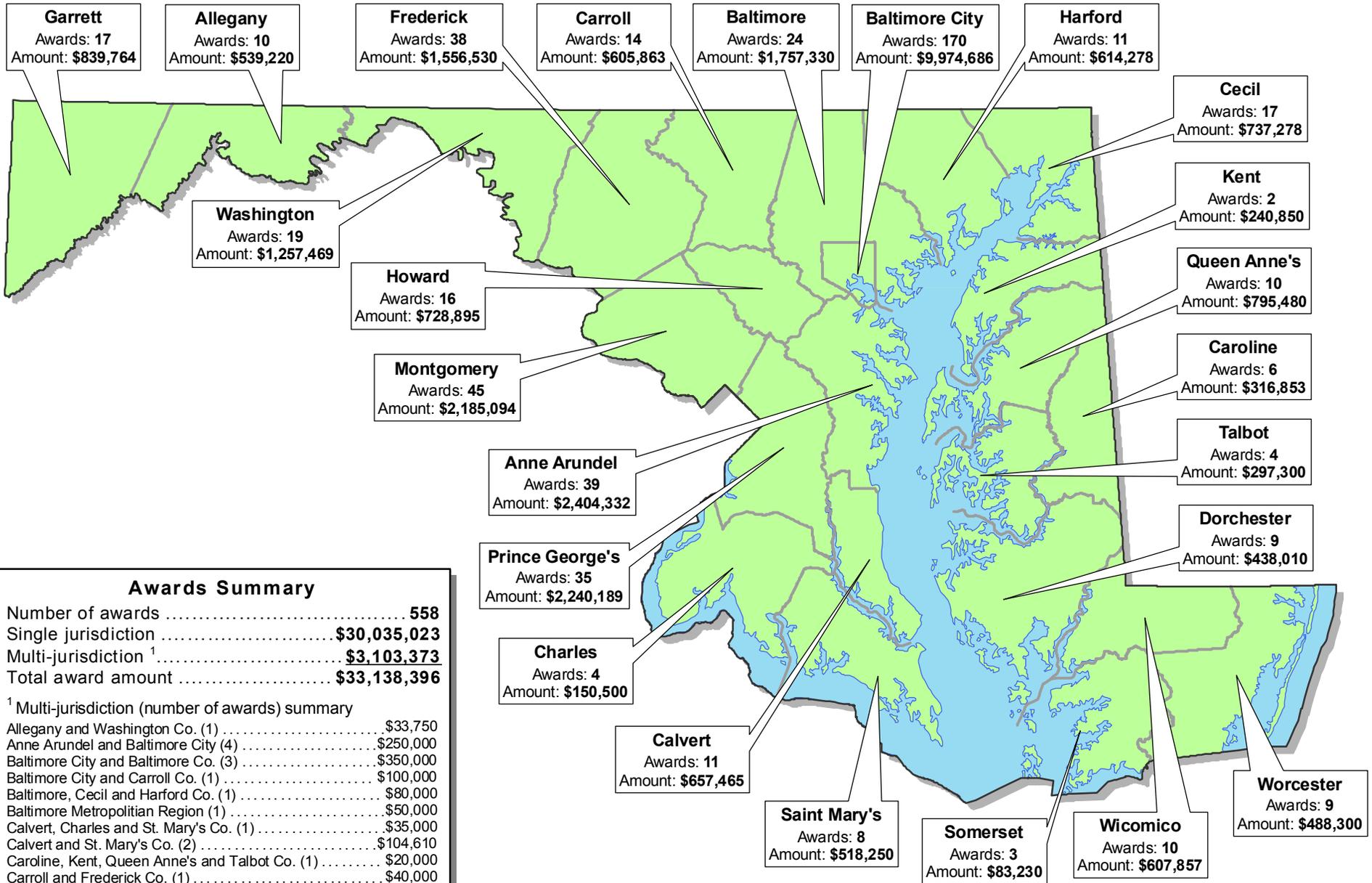
Fiscal Year 2009 (July 1, 2008 through June 30, 2009)

Activity Funded		Amount
Capital Projects	\$	2,712,726
Predevelopment		148,965
Operating Assistance		278,702
Support Services		100,000
Capacity Building		15,300
Total	\$	3,255,693



Maryland Affordable Housing Trust

Awards by Jurisdiction: Rounds 1 - 30



Awards Summary

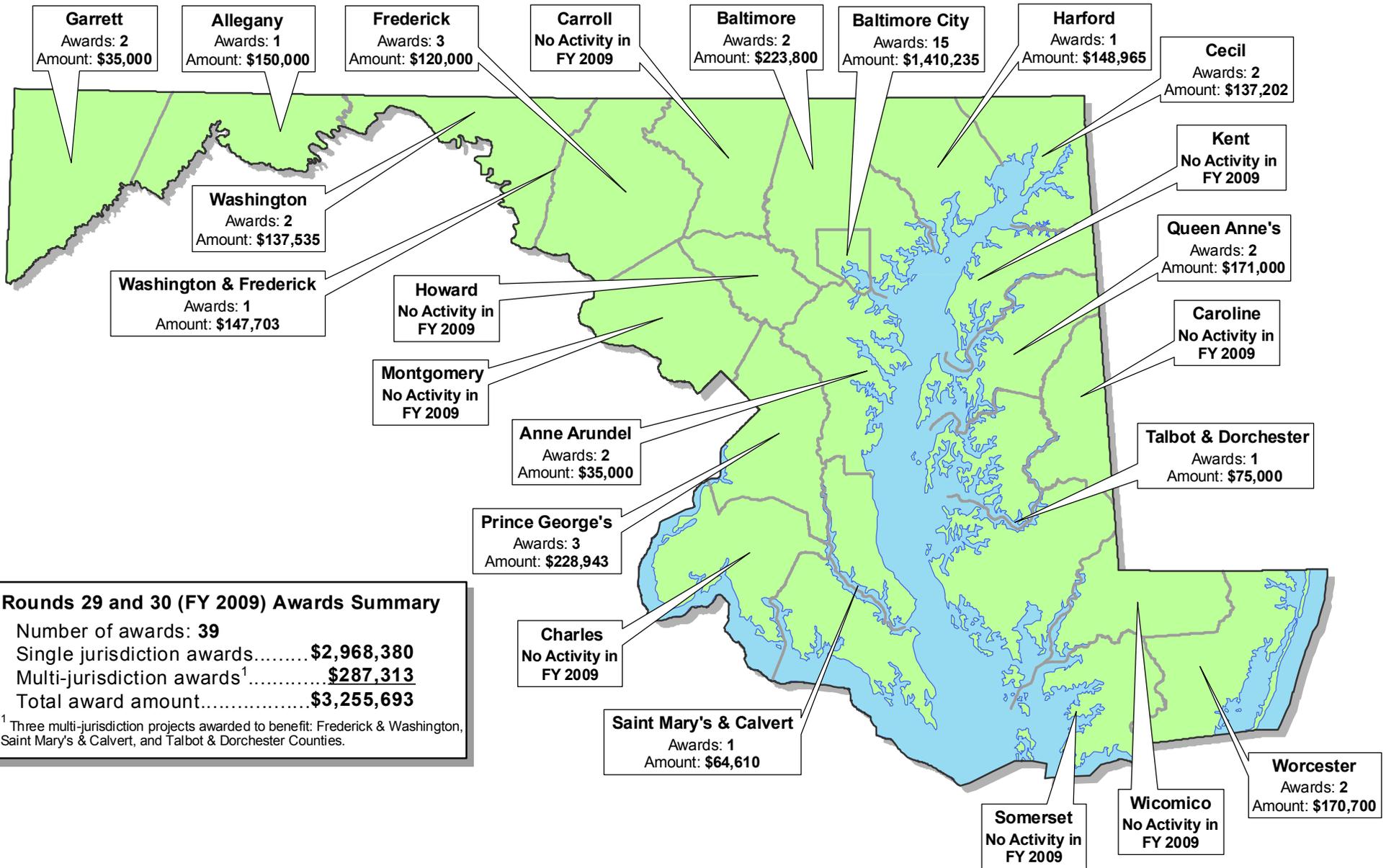
Number of awards	558
Single jurisdiction	\$30,035,023
Multi-jurisdiction ¹	\$3,103,373
Total award amount	\$33,138,396

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. (2)	\$104,610
Caroline, Kent, Queen Anne's and Talbot Co. (1)	\$20,000
Carroll and Frederick Co. (1)	\$40,000
Frederick and Washington Co. (4)	\$413,703
Talbot and Dorchester Co. (2)	\$175,000
Maryland statewide (4)	\$1,451,310

Maryland Affordable Housing Trust

Awards by Jurisdiction: Rounds 29 and 30 (FY 2009)



Rounds 29 and 30 (FY 2009) Awards Summary

Number of awards: **39**
 Single jurisdiction awards..... **\$2,968,380**
 Multi-jurisdiction awards¹..... **\$287,313**
 Total award amount..... **\$3,255,693**

¹ Three multi-jurisdiction projects awarded to benefit: Frederick & Washington, Saint Mary's & Calvert, and Talbot & Dorchester Counties.

Exhibit C
MARYLAND AFFORDABLE HOUSING TRUST
Fiscal Year 2009 Awards
Round 29

ORGANIZATION	PROJECT	JURISDICTION	AWARD
Arundel Habitat for Humanity	Revitalization of an At-Risk Community in Brooklyn MD	Baltimore City	\$80,000
Arundel House of Hope	Safe Haven	Anne Arundel	\$15,000
Bethel Corporation	Bethel Gardens	Washington	\$92,535
Chesapeake Habitat for Humanity	Jefferson Street Project	Baltimore City	\$90,000
Comprehensive Housing Assistance, Inc.	Weinberg Village V	Baltimore County	\$150,000
Comprehensive Housing Assistance, Inc.	Weinberg Manor West	Baltimore City	\$141,235
Empire Homes of Maryland, Inc.	2100-2102 Maryland Avenue	Baltimore City	\$150,000
Frederick Community Action Agency	FCAA Housing Rehabilitation Program	Frederick	\$60,000
Garrett County Community Action Committee, Inc.	Summer Breeze Group Workcamp	Garrett	\$25,000
Habitat for Humanity of Talbot and Dorchester Counties, Inc.	Constructing More Sustainable Habitat Homes on the Mid-Shore	Talbot and Dorchester	\$75,000
Habitat for Humanity of Washington County, Inc.	Lanvale St. House #2 and #3, Smithsburg Whispering Hills Project #2	Washington	\$45,000
Historic East Baltimore Community Action Coalition, Inc. (HEBCAC)	Eager Street Affordable Housing Project	Baltimore City	\$105,000
Homes For America	Restoration Gardens	Baltimore City	\$75,000
Housing Authority of City of Cumberland	Banneker Gardens	Allegany	\$150,000
Patuxent Habitat for Humanity	Building Affordable and Environmentally Sound Houses in Southern Maryland	St. Mary's and Calvert	\$64,610
Project PLASE, Inc.	Morgan Mill	Baltimore City	\$125,000
Queen Anne's County Christian Assistance/Foundation for Community Partnerships, Inc.	Our Haven Shelter	Queen Anne's	\$62,000
Sandtown Habitat for Humanity	2009 20-House Building Project	Baltimore City	\$150,000
Seat Pleasant Community Development Corporation	Revitalize Seat Pleasant	Prince George's	\$60,000
Snow Hill School Ltd. Partnership	Pleasant Manor	Worcester	\$142,700

St. John's Commons, Inc.	St. John's Commons	Harford	\$148,965
The Arc of Prince George's County, Inc.	Sprinkler Installation	Prince George's	\$81,943
The Hiding Place	The Hiding Place - Renovations and Operations Project	Baltimore County	\$73,800
Transitioning Lives, Inc.	Transitioning Lives, Inc.	Baltimore City	\$29,000
Transitioning Lives, Inc.	Transitioning Lives SRO Program	Baltimore City	\$125,000
Way Station, Inc.	Beam Homes, Inc.	Frederick and Washington	\$147,703
Community Coalition for Affordable Housing, Inc.	Community Coalition for Affordable Housing	Cecil	\$62,202
TOTAL			\$2,526,693

Exhibit C-1
MARYLAND AFFORDABLE HOUSING TRUST
Fiscal Year 2009 Awards
Round 30

ORGANIZATION	PROJECT	JURISDICTION	AWARD
908 Valley Street, LLC	Martin de Porres Rehab	Baltimore City	\$110,000
Arundel House of Hope, Inc.	WISH Program	Anne Arundel	\$20,000
Bon Secours of Maryland Foundation, Inc.	Resident Services	Baltimore City	\$65,000
Chesapeake Habitat for Humanity, Inc.	Fayette Street Project	Baltimore City	\$90,000
Dayspring Programs, Inc.	Dayspring Square	Baltimore City	\$75,000
Diakonia, Inc.	Transitional Housing Initiative	Worcester	\$28,000
Garrett County Habitat for Humanity, Inc.	Hopeland Village Phase IV	Garrett	\$10,000
High Street Homes/Upper Bay Counseling and Support Services, Inc.	High Street Homes/Upper Bay Counseling and Support Services, Inc.	Cecil	\$75,000
Hope Alive, Inc.	Transitional Program	Frederick	\$10,000
Queen Anne's County Housing Authority	Riverside Estates	Queen Anne's	\$109,000
Seat Pleasant Community Development Corporation	Housing Stabilization Project	Prince George's	\$87,000
Advocates for Homeless Families, Inc.	Transitional Housing Program	Frederick	\$50,000
TOTAL			\$729,000



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