

FY 2011

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

## **2011 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. more than \$50 in interest, if the reasonable and customary charges of the financial institution are anticipated to be more than the interest which would be earned on the trust money if separately deposited into a MAHT interest bearing 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 2011, MAHT received \$1,006,705 from interest earned on title companies' escrow accounts, return of unused funds and loan repayments. Prior to fiscal year 2010, MAHT also received the interest earned on the cash balances held in the State Treasury. However, in fiscal year 2010 MAHT was subjected to legislation (HB151/SB141) that required interest earnings on cash balances held by the Treasurer to be accrued to the General Fund of the State. Thus MAHT has elected to segregate the two types of interest earned in the summary of revenues and expenditures (see Attachment 1). From its inception in 1992 through the end of fiscal year 2011, MAHT has received almost \$35.7 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 almost \$35.7 million in revenues received and an additional \$1 million in General Fund Appropriation added in 2007 and \$2 million in Maryland Consolidated Capital Bond funding added in 2011, over \$38.4 million has been awarded. A balance of almost \$1.2 million, which includes return of unused funds, repayments of any repayable grants and cancelled awards is available for future funding rounds. Attachment 1 is a summary of revenues and expenditures to date. At mid-year, 1,066 title companies 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, 2011, there has been funding of thirty-four rounds, funding for DHCD's Preserving Homeownership initiative and funding for Hurricane Isabel related issues. A total of 648 grants, totaling \$38,424,486 have been awarded. The following activities were funded:

Predevelopment costs	\$ 2,751,345
Capital projects	25,693,255
Operating assistance	4,193,060
Nonprofit capacity building	2,046,415
Working Capital Loans (FY 2003)	250,000
Support Service	<u>3,490,411</u>
(includes Homeownership Counseling and Home Owners Preserving Equity "HOPE" initiative)	
Total	\$ 38,424,486

## **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 2011 only. Exhibits B and B-1 show the geographical distribution of the funds throughout the State from inception and for fiscal year 2011 respectively. Exhibits C and C-1 list the projects that were funded in fiscal year 2011, during funding rounds 33 and 34.

## **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 2011, \$3,086,105 in MAHT funds have leveraged over \$31 million in total project and program development costs, a 10:1 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 three times in fiscal year 2011.

## **Financial Audit**

During the fiscal year, the financial records of MAHT were audited for the period July 1, 2009 through June 30, 2010. 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 2011, MAHT made fifty-four 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 2011 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 Prince George's County Department of Housing and Community Development	Representing Public Housing Authorities
Elizabeth S. Glenn Baltimore County Office of Community Conservation	Representing General Public
(Vacant)	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, 2011

Revenue from Interest Earned by Title Companies	\$32,547,038
Interest earned on the MAHT account with the Treasurer (Oct. '92 – June '09)	3,132,305
Awards cancelled or decreased	2,787,118
Return of unused funds, loan repayments	1,230,967
Donations	13,359
2007 General Fund Appropriation	1,000,000
FY 09 Reduction in General Fund contingent liability	(8,784)
Maryland Consolidate Capital Bond Loan (MCCBL) AY 10 amount	2,000,000
MCCBL (not yet awarded as of June 30,2011)	(75,000)
Grant Awards	(38,424,486)
Administrative Expenses	(669,214)*
Budget Revision under 2003 House Bill 40	(2,300,000)
	=====
Balance Available for Future Funding Rounds	\$1,233,303
	=====

\* 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)

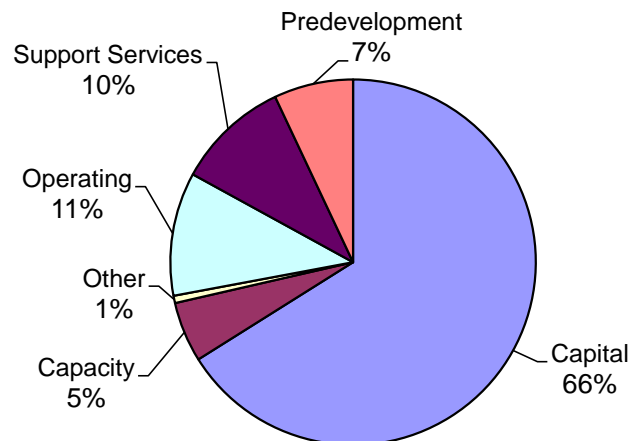
## Exhibit A

### MARYLAND AFFORDABLE HOUSING TRUST

Awards Made in Rounds 1 - 34  
October 1, 1992 through June 30, 2011

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
Round 31	\$ 1,334,850	\$ -	\$ -	\$ 100,000	\$ 157,000	\$ 65,000	\$ 1,656,850
Round 32	\$ 400,135	\$ -	\$ -	\$ -	\$ 85,000	\$ 58,000	\$ 543,135
Round 33	\$ 1,672,721	\$ -	\$ -	\$ 100,000	\$ 472,909	\$ 136,000	\$ 2,381,630
Round 34	\$ 594,475	\$ -	\$ -	\$ -	\$ 25,000	\$ 85,000	\$ 704,475
<b>Total</b>	<b>\$ 25,693,255</b>	<b>\$ 2,046,415</b>	<b>\$ 250,000</b>	<b>\$ 2,751,345</b>	<b>\$ 4,193,060</b>	<b>\$ 3,490,411</b>	<b>\$ 38,424,486</b>
Percent	66%	5%	1%	7%	11%	10%	100%

\*Working Capital Loans



## Exhibit A-1

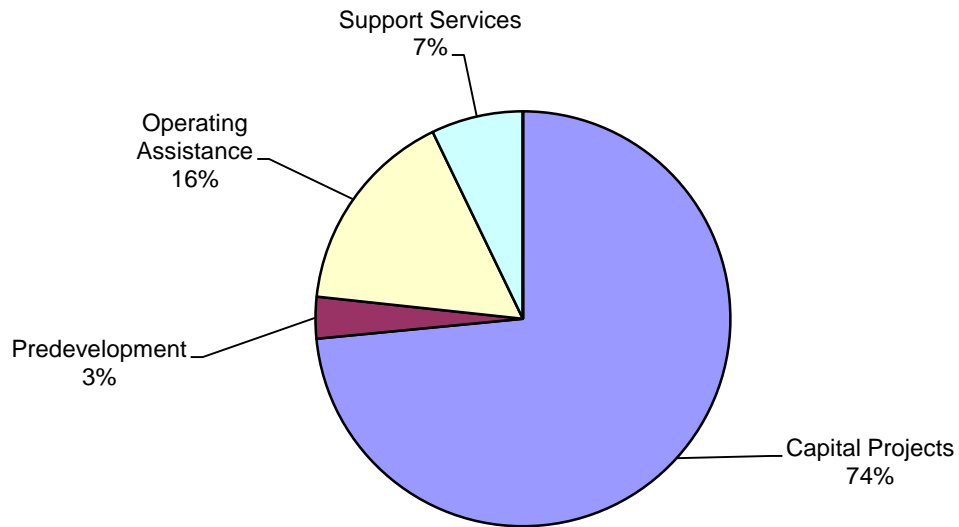
### MARYLAND AFFORDABLE HOUSING TRUST

#### Awards Summary

Fiscal Year 2011 (July 1, 2010 through June 30, 2011)

Activity Funded		Amount
Capital Projects	\$	2,267,196
Predevelopment		100,000
Operating Assistance		497,909
Support Services		221,000
Capacity Building		0
<b>Total</b>	<b>\$</b>	<b>3,086,105</b>

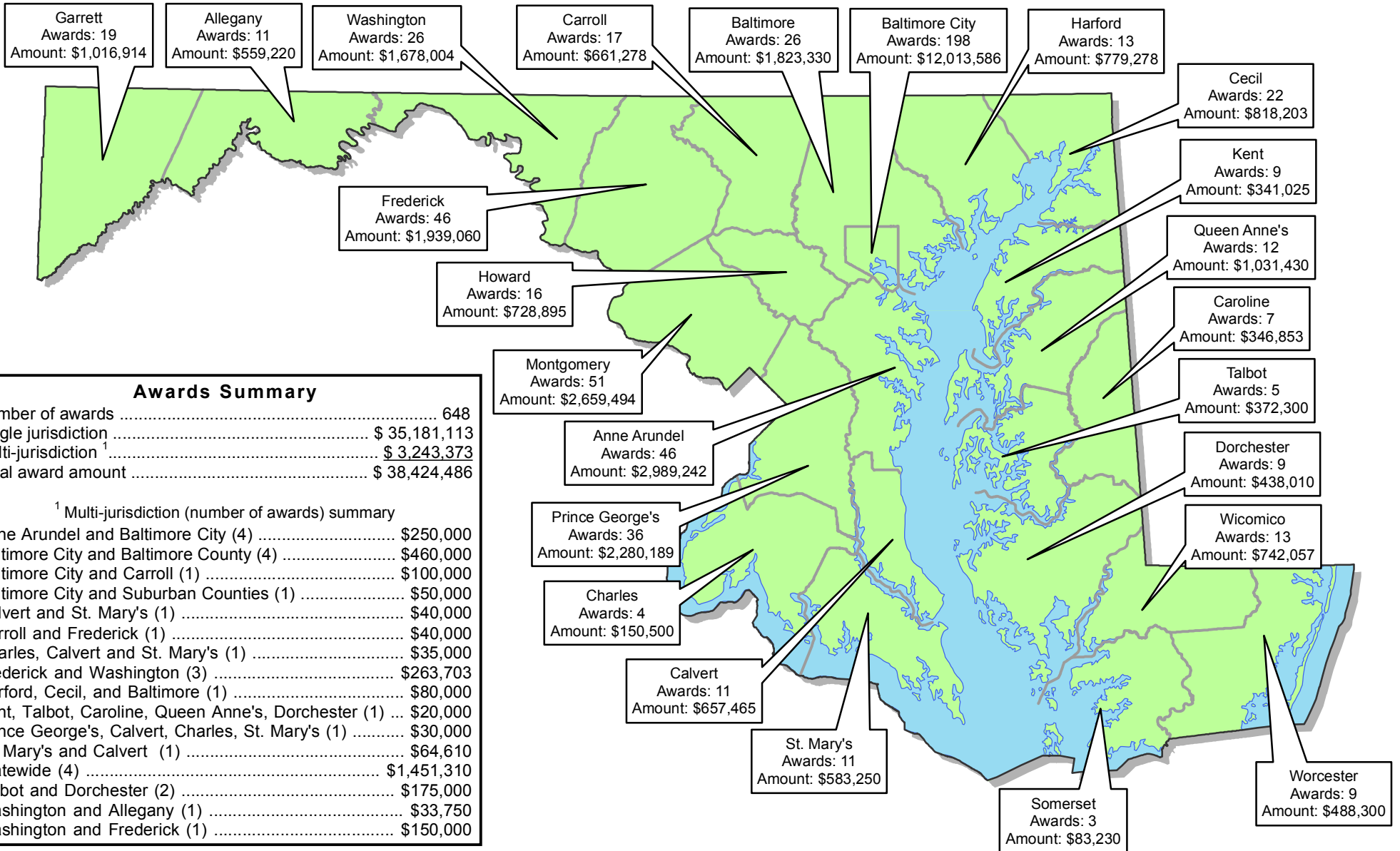
Rounds 33 and 34 by Activity Funded





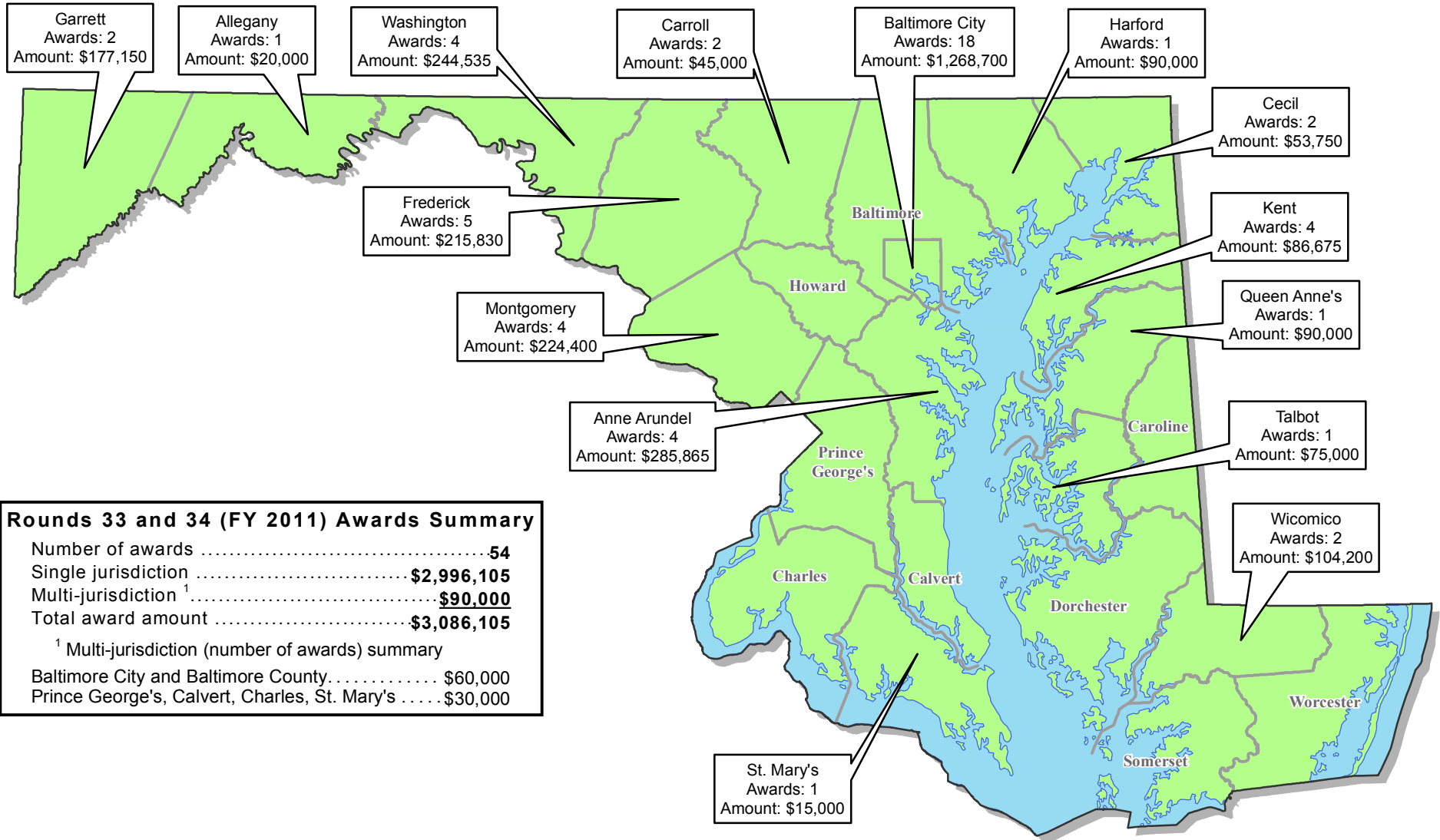
# Maryland Affordable Housing Trust

## Awards by Jurisdiction: Rounds 1 - 34



# Maryland Affordable Housing Trust

## Awards by Jurisdiction: Rounds 33 and 34 (FY 2011)



Rounds 33 and 34 (FY 2011) Awards Summary	
Number of awards .....	<b>54</b>
Single jurisdiction .....	<b>\$2,996,105</b>
Multi-jurisdiction <sup>1</sup> .....	<b>\$90,000</b>
Total award amount .....	<b>\$3,086,105</b>
<sup>1</sup> Multi-jurisdiction (number of awards) summary	
Baltimore City and Baltimore County .....	\$60,000
Prince George's, Calvert, Charles, St. Mary's .....	\$30,000

**Exhibit C**  
**MARYLAND AFFORDABLE HOUSING TRUST**  
**Fiscal Year 2011 Awards**  
**Round 33**

<b>ORGANIZATION</b>	<b>PROJECT</b>	<b>JURISDICTION</b>	<b>AWARD</b>
AIDS Interfaith Residential Services, Inc.	Restoration Gardens / City Steps	Baltimore City	\$ 78,000
Alliance, Inc.	Safe and Secure in East Baltimore	Baltimore City	\$ 58,700
Arundel Community Development Services, Inc.	Property Reconstruction Program	Anne Arundel	\$ 60,000
Arundel House of Hope, Inc.	Transitional Housing Program for Homeless Veterans	Anne Arundel	\$ 145,000
Bethel Corporation	Bethel Gardens	Washington	\$ 141,488
Civic Works, Inc.	Neighborhoods for All Ages	Baltimore City	\$ 90,000
Coalition Homes, Inc.	Silver Flower Homes and 1201 East West Highway	Montgomery	\$ 59,400
Community Coalition for Affordable Housing, Inc.	Community Coalition for Affordable Housing, Inc.	Cecil	\$ 39,250
Community Living Inc.	Pinoak Rehabilitation	Frederick	\$ 9,368
Compass, Inc.	Fire Safety and Energy Efficiency Code Improvement	Montgomery	\$ 60,000
Comprehensive Housing Assistance, Inc.	5810 Park Heights Avenue	Baltimore City	\$ 130,000
Crossroads Community, Inc.	Bridge House	Queen Anne's	\$ 90,000
Domestic Violence Sexual Assault Resource Center, Inc.	Dove Center	Garrett	\$ 150,000
Garrett County Community Action Committee, Inc.	Mystic Mountain Group Workcamp	Garrett	\$ 27,150
Habitat for Humanity Choptank	Block Building in Talbot	Talbot	\$ 75,000
Habitat for Humanity of Montgomery County, MD, Inc.	Neighborhood Revitalization Program Phase II	Montgomery	\$ 30,000
Habitat for Humanity of the Chesapeake, Inc.	East Baltimore - Jefferson Street	Baltimore City	\$ 60,000
Habitat for Humanity of Washington County	Apostle's Build House	Washington	\$ 15,000
Habitat for Humanity of Wicomico County, Inc.	Habitat for Humanity of Wicomico County, Inc.	Wicomico	\$ 60,000
Harford Habitat for Humanity, Inc.	Harford Habitat Build and Rehab	Harford	\$ 90,000
Kent County, Board of Commissioners	Kent County Housing Improvement Program - Phase VIII	Kent	\$ 10,000
Memorial Apartments Corporation	Memorial Apartments	Baltimore City	\$ 100,000
Omni House, Inc.	Oakleaf Villas Residential Program	Anne Arundel	\$ 55,465

**Exhibit C**  
**MARYLAND AFFORDABLE HOUSING TRUST**  
**Fiscal Year 2011 Awards**  
**Round 33 (continued)**

Patrick Allison House, Inc.	Patrick Allison House, Inc.	Baltimore City	\$ 17,000
Patuxent Habitat for Humanity	Building Affordable Homes in Southern Maryland	Prince George's, Calvert, Charles, St. Mary's	\$ 30,000
Rebuilding Together Montgomery County	Critical Needs Program	Montgomery	\$ 75,000
St. Vincent de Paul of Baltimore	Frederick Ozanam House	Baltimore City	\$ 65,000
The Arc of Carroll County, Inc.	Alternative Living Units	Carroll	\$ 15,000
The Chimes, Inc.	Renovation and Repair of Homes Project	Baltimore City and Baltimore County	\$ 60,000
Transitioning Lives, Inc.	Transitioning Lives, Inc.	Baltimore City	\$ 40,000
TRF Development Partners, Inc.	Preston Place Homes	Baltimore City	\$ 65,000
Tuerk House, Inc.	Weisman-Kaplan House	Baltimore City	\$ 150,000
Village of Hope, Inc.	Village of Hope Program Enhancements	Wicomico	\$ 44,200
Washington County Community Action Council	Washington County Bridge Program	Washington	\$ 58,047
Way Station, Inc.	Way Station's Housing	Frederick	\$ 128,562
TOTAL			\$ 2,381,630

**Exhibit C-1**  
**MARYLAND AFFORDABLE HOUSING TRUST**  
**Fiscal Year 2011 Awards**  
**Round 34**

<b>ORGANIZATION</b>	<b>PROJECT</b>	<b>JURISDICTION</b>	<b>AWARD</b>
Advocates for Homeless Families, Inc.	Transitional Housing Program	Frederick	\$ 18,000
Bello Machre, Inc.	Emergency Generators	Anne Arundel	\$ 25,400
Bernie's Place, Inc.	Bernie's Place, Inc.	Baltimore	\$ 25,000
Cecil County Men's Shelter, Inc.	Increasing Efficiency and Health	Cecil	\$ 14,500
Community Living, Inc.	Linden Avenue	Frederick	\$ 29,900
County Commissioners of Kent County	Kent County Housing Improvement Program - Phase VIII	Kent	\$ 50,000
Cumberland Housing Alliance	Roberts Street Development Project	Allegany	\$ 20,000
Frederick Community Action Agency	FCAA Rehabilitation Program	Frederick	\$ 30,000
GEDCO	Epiphany House	Baltimore City	\$ 90,000
Habitat for Humanity of the Chesapeake, Inc.	Orchard Ridge	Baltimore City	\$ 75,000
Habitat for Humanity of Washington County, Inc.	Educators' House and Apostle's Build #2	Washington	\$ 30,000
Housing Authority of St. Mary's County, Maryland	The Gateways	St. Mary's	\$ 15,000
Kent Center, Inc.	Blake House Energy Efficiency Project	Kent	\$ 11,675
Mi Casa, Inc.	Preston Street Project Phase II	Baltimore City	\$ 90,000
New Vision House of Hope, Inc.	Transitional Housing Program	Baltimore City	\$ 36,000
Prisoners Aid Association of Maryland, Inc.	TAMAR Program	Baltimore City	\$ 49,000
Rebuilding Together, Kent County, MD, Inc.	Rehabilitation Project 2011	Kent	\$ 15,000
Sandtown Habitat for Humanity, Inc.	2011 5-House Build	Baltimore City	\$ 50,000
The Arc of Carroll County, Inc.	ALU Rehabilitation Projects	Carroll	\$ 30,000
<b>TOTAL</b>			<b>\$ 704,475</b>



Maryland Department of Housing and Community Development  
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