



HOUSING FINANCE:

Programs for Sustainability

June 23, 2011

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DIVISION OF NEIGHBORHOOD REVITALIZATION

DHCD's Neighborhood Revitalization programs have been utilized by local governments, nonprofits and small businesses to:

- **INVEST** in vital and sustainable communities
- **BUILD** strong and vibrant neighborhoods
- **HONOR** and promote our diverse heritage
- **CREATE** dynamic experiences for residents and visitors
- **ENHANCE** the quality of life for all Marylanders

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YOUR ROLE IN NEIGHBORHOOD REVITALIZATION

- Know your community: *economic conditions, future trends & development, community attributes*
- Engage elected officials: *key stories, events, face-to-face*
- Support programs that support your community
- Build strong partnerships



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COMMUNITY DEVELOPMENT ADMINISTRATION

DHCD's Community Development Administration (CDA) is the housing finance agency for the State of Maryland.

- CDA provides financing for a range of programs targeted at financing housing for low to moderate-income families through:
 - Single family homeownership programs;
 - Multifamily housing finance programs;
 - Rental Services;
 - Home Improvement financing.

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COMMUNITY DEVELOPMENT ADMINISTRATION

- CDA administers the State's Low Income Housing Tax Credit (LIHTC) program.
 - In FY'10, CDA leveraged State funds, federal funds and tax credits to finance the production of over 4,500 multifamily rental housing units across the State, supporting \$500 million in construction costs.
- CDA works with over 50 local lenders to provide mortgages to first time homebuyers, serving over 16,000 low to moderate-income families throughout Maryland.
- In FY'10:
 - CDA provided \$5 million to assist borrowers with closing cost expenses associated with purchasing a home;
 - CDA provided \$5 million to assist seniors with home repairs to improve accessibility for individuals with disabilities;
 - CDA's Weatherization Assistance Program provided \$12 million to assist 2400 families to improve their homes' safety & efficiency.

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COMMUNITY INVESTMENT TAX CREDIT

- *Since 1997, the Community Investment Tax Credit (CITC) program has leveraged \$20 million in charitable contributions to nearly 300 nonprofit projects.*
- *Approximately 800 businesses have made over 1,800 contributions to nonprofit organizations through CITC.*



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COMMUNITY INVESTMENT TAX CREDIT

Benefits of CITC Program:

- A tool for nonprofits to enhance their funding bases
- Creative tax relief for businesses
- Incentive to encourage businesses and individuals to support ***local community projects***

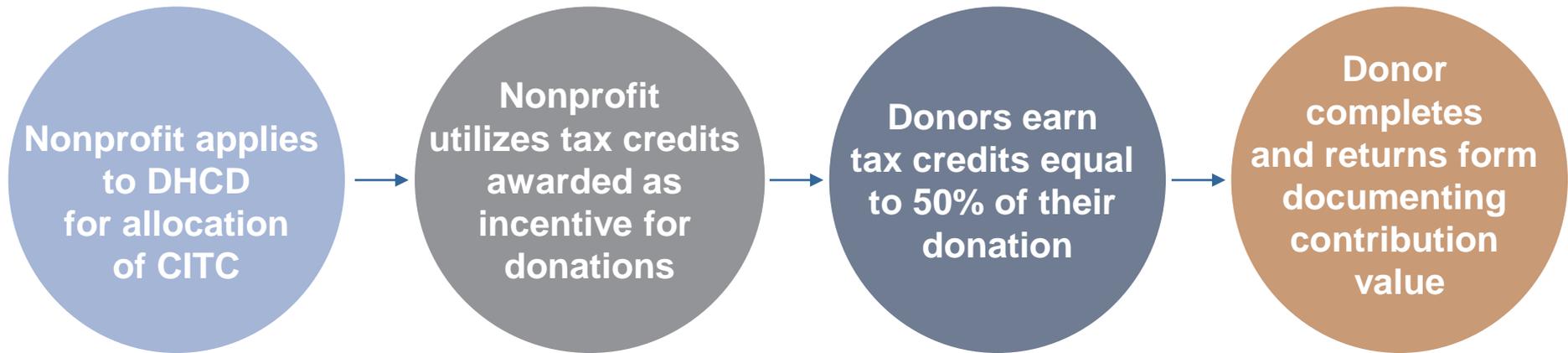


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COMMUNITY INVESTMENT TAX CREDIT



COMMUNITY INVESTMENT TAX CREDIT

Projects Eligible for Donor Contributions:

- Arts, Culture and Historic Preservation
- Economic Development and Tourism
- Education and Youth Services
- Enhancing Neighborhoods and Business Districts
- Housing and Community Development
- Job and Self-Sufficiency Training
- Services for At-Risk Populations
- Technical Assistance and Capacity Building

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COMMUNITY INVESTMENT TAX CREDIT

Eligible Donors to Receive Tax Credits:

Businesses:

- Corporations
- Public Utility Companies
- Insurance Companies
- Financial Institutions
- S-Corporations
- Partnerships
- Sole Proprietorships
- Limited Liability Corporations

Individuals:

- Resident of Maryland

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COMMUNITY INVESTMENT TAX CREDIT

Eligible Donor Contributions:

- Businesses and individuals may contribute money, goods or real estate
- Minimum contribution value is \$500, maximum is \$500,000



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COMMUNITY INVESTMENT TAX CREDIT

Homeownership Programs:

- Caroline County Habitat for Humanity
 - Park Avenue Federalsburg Project
 - Tax credits used to promote first time home ownership opportunities
 - CITC allocation: \$22,254



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COMMUNITY INVESTMENT TAX CREDIT

Home Rehabilitation

- Sandtown-Winchester Neighborhood Initiative
- Rehab 40 vacant homes in the neighborhood
- CITC allocation: >\$200,000



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COMMUNITY INVESTMENT TAX CREDIT

New Construction:

- Habitat for Humanity of Wicomico County
 - Cook Dr, Dawn Ct, E. Church St, Davis St
 - Support the construction of eight new Habitat homes for very low income families
 - CITC allocation: \$32,250



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COMMUNITY INVESTMENT TAX CREDIT

Real Estate Acquisition:

- Habitat for Humanity of Worcester County
 - Flower Street Affordable Housing Project
 - Acquire building lots, provide infrastructure, purchase building materials, construct single family homes for low income homeowners at no profit using no interest mortgages.
 - CITC allocation: \$27,000



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MARYLAND AFFORDABLE HOUSING TRUST



- *The Maryland General Assembly created the Maryland Affordable Housing Trust (MAHT) in 1992 to make affordable housing more available throughout the State of Maryland.*
- *Since 1992 the Maryland Affordable Housing Trust has awarded over \$35 million in loans, grants, or other financial assistance.*

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MARYLAND AFFORDABLE HOUSING TRUST

- MAHT funding can be in the form of interest-bearing loans or grants.
- MAHT holds two funding rounds per year, generally in January and August. The maximum award amount is \$150,000.

Who Can Apply:

- Nonprofit organizations
- Public housing authorities
- Government agencies
- Profit-motivated entities



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MARYLAND AFFORDABLE HOUSING TRUST

- MAHT is governed by a Board of Trustees and staffed by the Maryland Department of Housing and Community Development.
- MAHT promotes affordable housing for households earning less than 50% of area or Statewide median income.

Eligible Projects

- Acquisition, construction, rehabilitation or preservation of affordable housing
- Nonprofit organizations developing or implementing an affordable housing project

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MARYLAND AFFORDABLE HOUSING TRUST

Criteria

- Residents with incomes < 50% of statewide or area median;
- Provide housing for families with children and/or single adults in Single Room Occupancy units;
- Long-term affordability and self-sufficiency;
- Located in area with demonstrated housing need;
- Leverages other funding sources;
- Considers sustainable development and green building practices.

MARYLAND AFFORDABLE HOUSING TRUST

Benefits

- Funds capital costs of rental and ownership housing (Grants < \$150,000);
- Financial assistance for nonprofit-developer capacity building;
- Funds operating expenses (in some cases) and supportive services for occupants of affordable housing.

MAHT funds may not be used for:

- Direct rental assistance to tenants;
- Capacity building assistance that is not related to a specific housing development; or
- Purchase of grantee personal property, such as office furniture or equipment.



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MARYLAND AFFORDABLE HOUSING TRUST

New Construction and Renovation:

- Habitat for Humanity of the Chesapeake
 - Baltimore City and Anne Arundel County
 - Supports the construction or renovation of Habitat homes for very low income families
 - MAHT allocation: \$15,000 per house



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COMMUNITY LEGACY

Since 2002, Community Legacy has:

- *Supported 593 projects across Maryland*
- *Awarded \$60.2 million toward local projects*
- *Supported local projects with a total value of more than \$350 million*

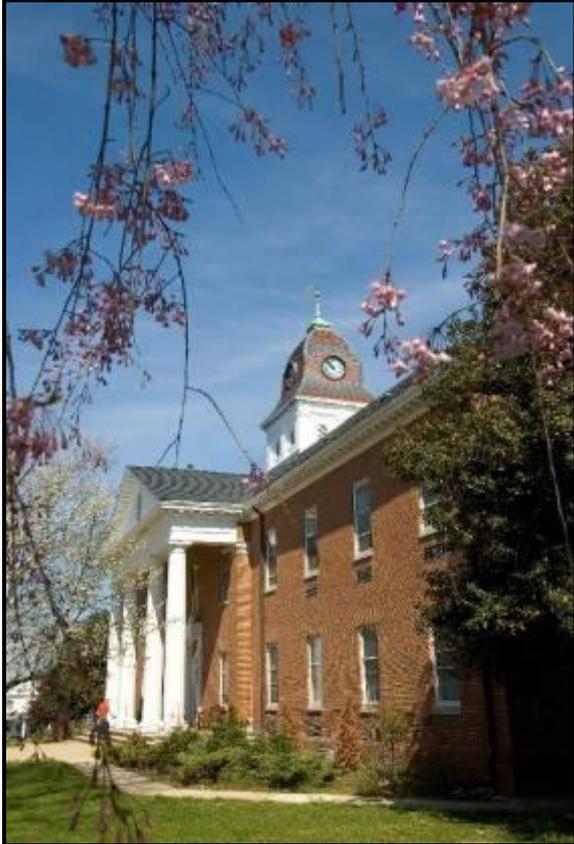


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COMMUNITY LEGACY



Who Can Apply:

- Local governments
- Community development organizations

Project Criteria:

- Leveraged resources and financing
- Organizational capacity
- Project readiness
- Revitalization impact

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COMMUNITY LEGACY

Eligible Projects:

- New Construction
- Home rehabilitation
- Real estate acquisition
- Homeownership Programs
- Façade improvement

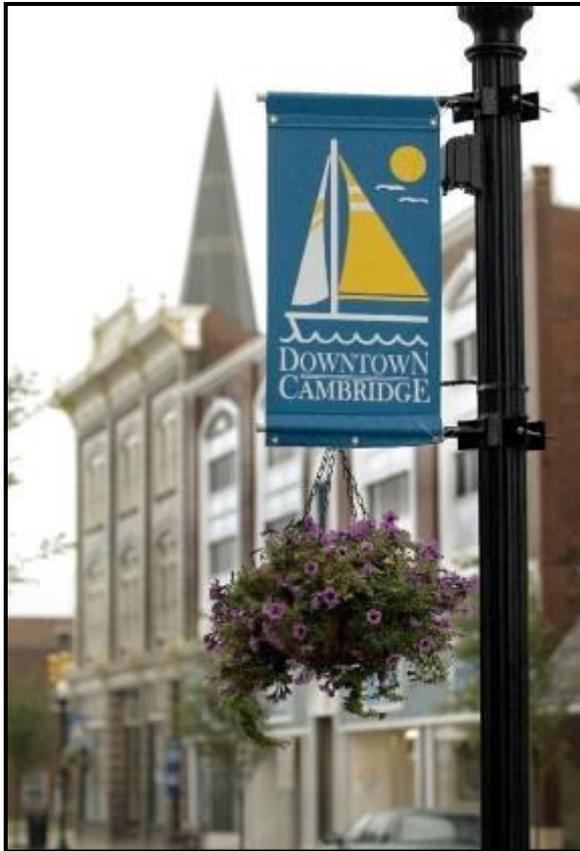


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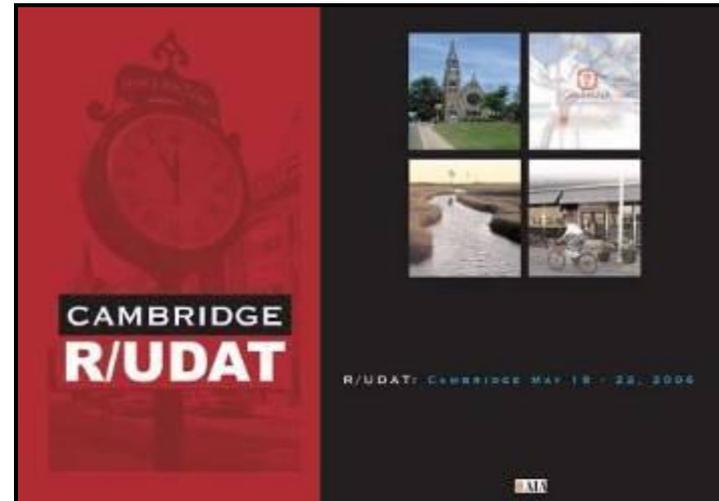
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COMMUNITY LEGACY



City of Cambridge



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COMMUNITY LEGACY

New Construction:

- Habitat for Humanity Choptank
 - Dorchester County
 - Support the construction of two new green Habitat homes for very low income families
 - CL Award: \$240,000



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HOME INVESTMENT PARTNERSHIP PROGRAM

\$2 billion annually (national) of affordable housing funds awarded competitively to stimulate innovation, test new ideas in housing, initiate pilot programs, and support promising projects.



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HOME INVESTMENT PARTNERSHIP PROGRAM

Who Can Apply:

- Nonprofit organizations
- Local governments
- Local housing agencies and State government agencies

Eligible Residents:

- For rental housing units, HOME funds are targeted to residents with incomes that do not exceed 50 percent of area median income;
- For owner-occupied units, HOME funds are targeted to those with incomes at or below 55 percent of the statewide median income.



HOME-IPP in Prince George's County

HOME INVESTMENT PARTNERSHIP PROGRAM

Eligible Projects

- Site acquisition or improvement;
- Home purchase or rehabilitation financing assistance;
- Building or rehabilitation of housing for rent or ownership;
- Community Housing Development Organizations;
- Priority given to projects that: are within Smart Site or Maple Street areas, incorporate green or energy efficiency elements, exhibit innovative housing policies.



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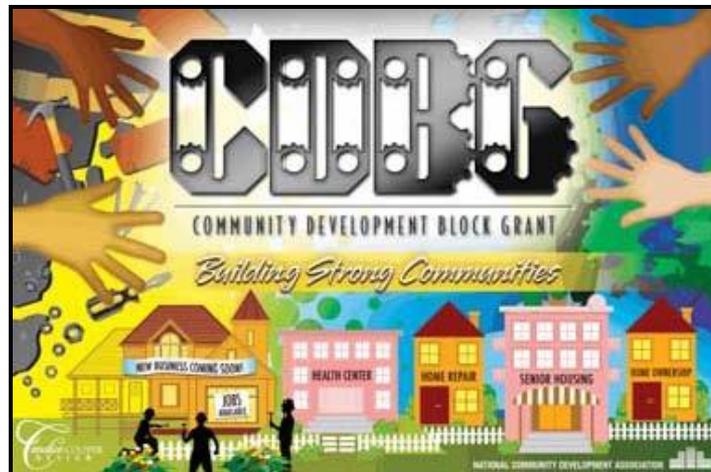
HOME INVESTMENT PARTNERSHIP PROGRAM

Benefits

- Funds and technical assistance to expand the supply of affordable housing via zero interest deferred loans (20-40 year terms) and (in some limited cases) grants;
- Flexibility empowers people and communities to design their own strategies;
- Emphasis on consolidated planning strengthens partnerships between government and the private sector in development of affordable housing;
- Mobilizes community resources by requiring participating jurisdictions to match \$0.25 of every dollar in program funds.

COMMUNITY DEVELOPMENT BLOCK GRANTS

- In 2010, \$59 million in CDBGs to strengthen Maryland's communities by expanding affordable housing opportunities, creating jobs, stabilizing neighborhoods and improving overall quality of life.*



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COMMUNITY DEVELOPMENT BLOCK GRANTS

Who Can Apply

- Local government with populations < 200,000 (Federally administered) and non-entitlement cities and towns < 50,000 (State administered)
- Multiple jurisdictions may jointly apply for funds
- Other entities, public or private, may be sub-recipients

COMMUNITY DEVELOPMENT BLOCK GRANTS

Eligible Projects

- Generally constitutes development of housing, public facilities, and/or economic development
- Principally benefits persons of low and moderate income
- Targets slums and blighted areas
- Meets an urgent need of recent origin threatening public health and safety



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COMMUNITY DEVELOPMENT BLOCK GRANTS

Benefits

- Backs physical development of “viable” communities to support affordable housing, suitable living environment, and expanded economic opportunities
- Encourages citizen participation by requiring grantees to collaborate with residents in creation of CDBG development plan



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MD HIGHER EFFICIENCY LOAN PROGRAM (HELP)

- Pilot program to seed revolving loan fund that provides resources for energy efficiency improvements to:
 - Assist low-income residents in existing homes to improve the safety, comfort and energy efficiency of their residences;
 - Provide funds for higher efficiency measures during home renovation/rehabilitation;
 - Leverage federal and State money by raising matching funds and material donations;
 - Expand awareness of and demand for higher efficiency homes.

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MD HIGHER EFFICIENCY LOAN PROGRAM (HELP)

- Funding provided through U.S. Department of Energy competitive award geared towards creating sustainable lending programs to promote energy efficient buildings.
- Eligible improvements must result in increased energy efficiency of 15% and include:
 - Whole house air sealing measures
 - Attic and crawl space insulation
 - Installation of energy efficient lighting
 - Replacement of storm windows or doors
 - Replacement of heating and cooling systems
 - Installation of energy monitoring devices
 - Health and safety measures (up to 25% of total project cost)

Projects related to regular maintenance and repairs are not eligible.



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MD HIGHER EFFICIENCY LOAN PROGRAM (HELP)

- **Goals of MD HELP:**
 - Provide sustainable financing to improve energy efficiency of buildings in Maryland;
 - Preserve affordability of housing stock in Maryland;
 - Assist low-income residents in existing homes in lowering utility bills, and increasing safety and comfort;
 - Spur investment in affordable housing that is also energy efficient.

Contact Information

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