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Department of Housing and Community Development – PAYGO

Pay-as-you-go Capital Budget Summary

(\$ in Millions)

	<i>FY 2008 Approp.</i>	<i>FY 2009 Approp.</i>	<i>FY 2010 Allowance</i>	<i>Percent Change</i>	<i>DLS Recommd.</i>
Homeownership Programs	\$8.600	\$8.600	\$8.500	-1.2%	\$8.500
Rental Housing Programs	19.900	20.250	20.250	0.0%	20.250
Special Loans Programs	9.500	9.500	9.650	1.6%	9.650
Neighborhood Business Development Program	4.000	5.000	4.000	-20.0%	3.100
Community Development Block Grant Program	10.000	9.000	11.000	22.2%	11.000
Community Legacy Program	6.500	4.200	6.500	54.8%	4.200
Partnership Rental Housing Programs	8.000	6.000	6.000	0.0%	6.000
Shelter and Transitional Housing Facilities Grant Program	1.000	1.500	1.500	0.0%	1.500
Subtotal	\$67.500	\$64.050	\$67.400	5.2%	\$64.200
Fiscal 2009 Deficiency¹					
Community Development Block Grant Program	0.000	17.358	0.000	-100.0%	0.000
Rental Housing Programs	0.000	6.676	0.000	-100.0%	0.000
Total	\$67.500	\$88.084	\$67.400	-\$1.948	\$64.200

Fund Source					
General	\$8.258	\$4.200	\$0.000	-100.0%	\$0.000
Special	36.242	37.000	26.700	-27.8%	26.700
Federal	16.000	15.350	18.250	18.9%	18.250
Federal – 2009 Deficiency	0.000	24.034	0.000	-100.0%	0.000
PAYGO Subtotal	\$60.500	\$80.584	\$44.950	-44.2%	\$44.950
General Obligation Bonds	7.000	7.500	22.450	199.3%	19.250
Total	\$67.500	\$88.084	\$67.400	-23.5%	\$64.200

¹A fiscal 2009 deficiency would provide \$17.4 million in federal funds for the Neighborhood Stabilization Program in the Community Development Block Grant Program and \$6.7 million in federal funds for the Rental Housing Programs. These funds are made available as a result of the Housing and Economic Recovery Act of 2008.

Note: Numbers may not sum to total due to rounding.

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Summary of Issues

The State of Affordable Rental Housing: The Department of Housing and Community Development (DHCD) has revised its estimates of the shortage of affordable and available rental housing, projecting that without DHCD's programs and resources, the shortage for families, seniors, and persons with disabilities could reach 138,525 units by 2015. Addressing this problem will require DHCD to increase the effectiveness of its resources and its current production levels. **The Department of Legislative Services (DLS) recommends deleting \$2.9 million in general obligation (GO) bond funds in the Rental Housing Program. DLS also recommends budget bill language authorizing the transfer of \$2.9 million in special funds from the Neighborhood Business Development Program (NBDP) to the Rental Housing Program, and increasing the NBDP GO authorization to offset the transfer.**

Federal Economic Stimulus to Enhance Existing Programs: The American Recovery and Reinvestment Act of 2009 makes \$183.7 million in federal funding available for housing-related activities in Maryland. **The agency should comment on how it will administer the additional funding within existing staffing and resources and how it will commit the funds within federally mandated time frames. DHCD should also discuss the extent to which the federal HOME funds can supplant State GO bond funds, especially in light of complications with partnering tax-exempt GO bond funds with federal Low-Income Housing Tax Credits.**

Update on the Maryland Housing Fund: Chapter 477 of 2008 required any unallocated reserves in the Maryland Housing Fund (MHF) in excess of \$10.0 million to be transferred to DHCD's Homeownership, Rental Housing, and Special Loans Programs on July 1 of each year. **DLS recommends the agency comment on the status of the MHF's unallocated reserve, future plans for use of the funds, and the prospect for transfers to the housing programs in accordance with Chapter 477 of 2008.**

Summary of Recommended Actions

	<u>GO Reduction</u>
1. Delete general obligation (GO) bond funds for the Neighborhood Business Development Program.	-\$900,000
2. Delete \$2.3 million in GO bond funds for the Community Legacy Program.	-2,300,000
Total Reductions	-\$3,200,000

Overview

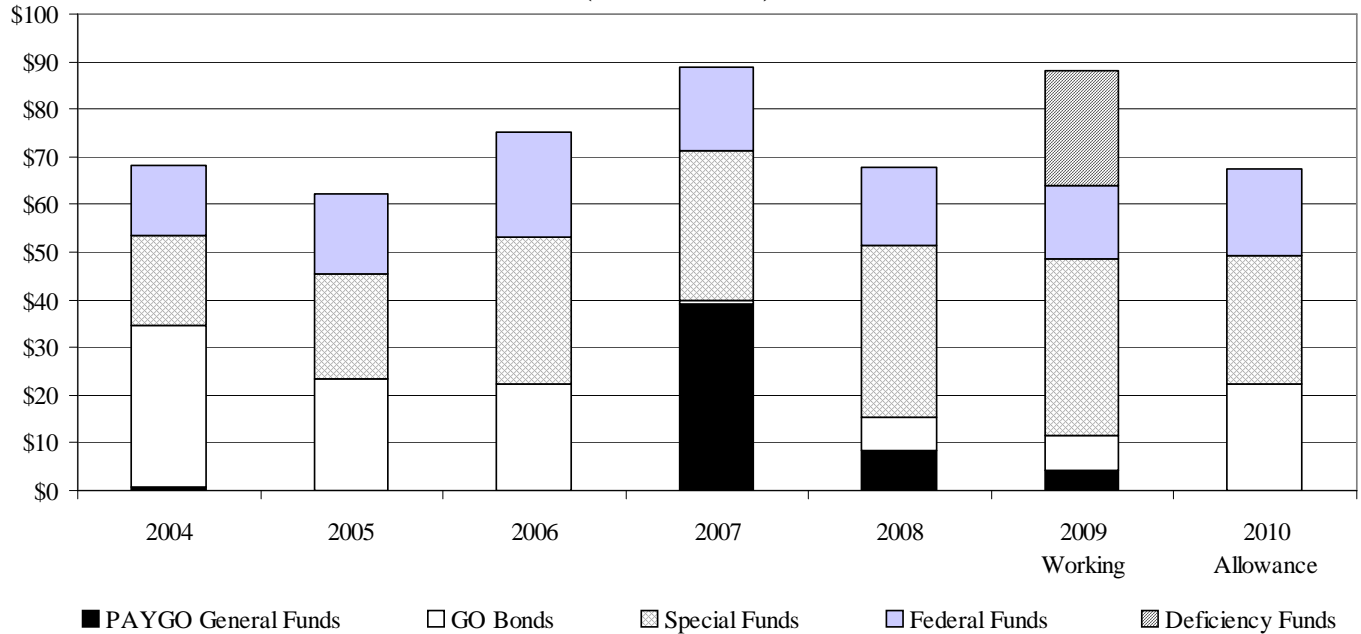
Funds in the DHCD fiscal 2010 allowance total \$67.5 million. This is a \$3.4 million, or 5.3%, increase from the fiscal 2009 working appropriation. This increase primarily restores a \$2.3 million decrease in the Community Legacy Program taken in October 2008 as part of the Board of Public Works cost containment actions. However, when adjusted for a \$24.0 million deficiency request for fiscal 2009, the allowance would decrease \$20.6 million, or 23.4%. The figures in **Exhibit 1** reflect all of DHCD capital funding, including programs funded solely with GO bonds.

Fiscal 2009 Deficiency Request

A fiscal 2009 deficiency would provide \$24.0 million in federal funds to the following capital programs:

- \$17.4 million for the Neighborhood Stabilization Program. These funds would pass through the Community Development Block Grant Program but may only be used to purchase foreclosed properties which can be rehabilitated, redeveloped, or demolished. Funds are made available as a result of the federal Housing and Economic Recovery Act of 2008.
- \$6.6 million for the Community Development Administration. These funds would be applied in the Rental Housing Program for qualifying projects. Funds are made available as a result of the federal Housing and Economic Recovery Act of 2008.

**Exhibit 1
DHCD Capital Budget Funding Mix
Fiscal 2004-2010
(\$ in Millions)**



	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Working 2009</u>	<u>Allowance 2010</u>	<u>\$ Change 2009-10</u>	<u>% Change 2009-10</u>
PAYGO General Funds	\$0.7	\$0.0	\$0.0	\$27.7	\$8.3	\$4.2	\$0.0	-\$4.2	-100.0%
GO Bonds	34.1	23.3	22.5	1.0	7.0	7.5	22.5	15.0	200.0%
Special Funds	18.6	22.2	30.5	31.3	36.2	37.0	26.7	-10.3	-27.8%
Federal Funds	14.9	16.8	22.3	17.4	16.0	15.4	18.3	2.9	18.9%
Federal Deficiency Funds	0.0	0.0	0.0	0.0	0.0	24.0	0.0	-24.0	-100.0%
Total Funds	\$68.2	\$62.4	\$75.3	\$77.5	\$67.5	\$88.1	\$67.5	-\$20.6	-23.4%

DHCD: Department of Housing and Community Development

GO: general obligation

PAYGO: pay-as-you-go

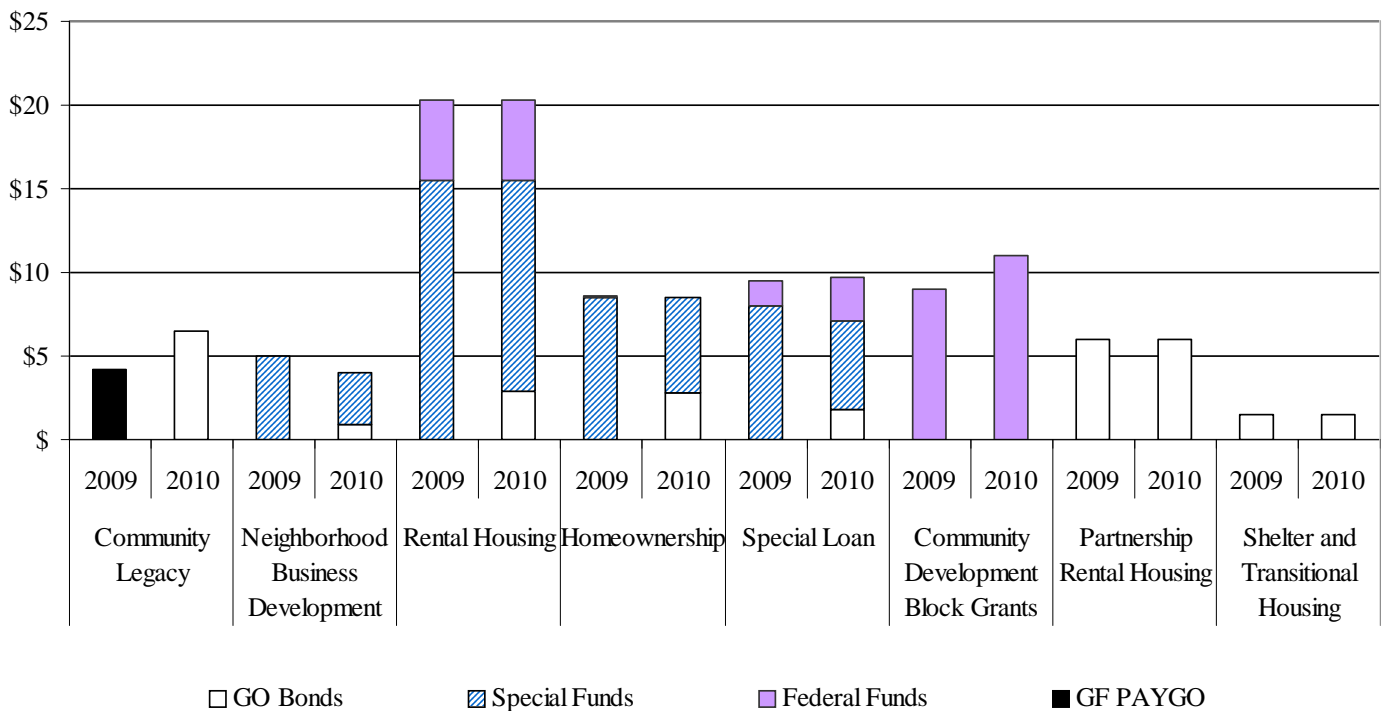
Notes: The graph includes all DHCD capital funding, including programs solely funded with GO bonds. Fiscal 2005 includes \$3 million in special funds from the Dedicated Purpose Account for the Hurricane Isabel Housing Rehabilitation and Renovation program. Funds for the Maryland Historical Trust totaling \$200,000 in fiscal 2005 and \$450,000 in 2006 are not included, and funds for the Maryland Heritage Tax Credit program of \$20 million in fiscal 2006 are not included. These programs were transferred to the Maryland Department of Planning in fiscal 2006 as required by Chapter 440 of 2005. A fiscal 2009 deficiency would provide \$17.4 million in federal funds for the Neighborhood Stabilization Program in the Community Development Block Grant Program and \$6.7 million in federal funds for the Rental Housing Programs. These funds are made available as a result of the Housing and Economic Recovery Act of 2008.

Source: Governor’s Capital Budget, Fiscal 2010; Department of Budget and Management Capital Budget Worksheets

Funding Mix to Change in 2010

The most significant change in the allowance is a clear shift to GO bond funds in all programs except the Community Development Block Grant Program which is fully supported with federal funds. The fiscal 2010 allowance for GO bond funding is \$22.5 million, \$15.0 million more than in fiscal 2009. As shown in **Exhibit 2**, the Homeownership, Rental Housing, Special Loans, Community Legacy, and Neighborhood Business Development programs all include new GO bond funding due to the unavailability of general or special funds. In addition to GO bonds, federal funds are expected to increase \$2.9 million in fiscal 2010. However, when adjusting for a \$24.0 million deficiency, federal funds decrease \$21.2 million. Special funds decrease \$10.3 million as a result of declining fund balances. The allowance does not include any general funds for the first time since fiscal 2006.

Exhibit 2
DHCD Capital Budget Funds by Program
Comparison of Working Appropriation and Allowance
Fiscal 2009-2010
(\$ in Millions)



DHCD: Department of Housing and Community Development
 GF: general funds
 GO: general obligation
 PAYGO: pay-as-you-go

Source: Department of Budget and Management, Fiscal 2010 Capital Budget Worksheets

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- ***Homeownership Program:*** Funding for the Homeownership Program decreases only \$100,000 in fiscal 2010 due to the reallocation of federal HOME Investment Partnership Funds to other DHCD programs. However, the program changes significantly in its funding sources. Roughly one-third of the fiscal 2010 allowance is funded with GO bond proceeds, whereas in fiscal 2009, the program is funded primarily through special funds from loan repayments.
- ***Rental Housing Program:*** This program is level-funded in fiscal 2010. However, GO bonds are introduced in the fiscal 2010 allowance to supplement reduced special funds resulting from a declining fund balance. Federal funds are expected to remain constant. However, a fiscal 2009 deficiency would provide \$6.7 million in federal funds for this program as a result of the Housing and Economic Recovery Act of 2008. When adjusting for this, the 2010 allowance decreases \$6.7 million in federal funds as compared to fiscal 2009.
- ***Special Loans Program:*** Fund balances are declining in this program as well, and as a result, budgeted special funds drop \$2.7 million in fiscal 2010. A total of \$1.85 million in GO bond funds is included in the fiscal 2010 allowance to offset this decrease. Additionally, federal funds are expected to increase \$1.0 million. Overall, program funding increases only \$150,000 in fiscal 2010.
- ***Community Legacy Program:*** The Community Legacy Program was appropriated with general and special funds in fiscal 2008 (\$6.5 million) and general funds only in fiscal 2009 (\$4.2 million). By contrast, 100% of the fiscal 2010 allowance for this program is funded with GO bonds. The fiscal 2010 allowance of \$6.5 million restores the program to its fiscal 2008 levels.
- ***Neighborhood Business Development Program:*** This program has operated solely with special funds for the past five years. However, \$900,000 in GO bonds is included in the fiscal 2010 allowance because of a declining fund balance. Furthermore, the special fund allocation decreases by \$1.9 million, causing overall program funding to drop \$1.0 million.
- ***Community Development Block Grant Program:*** The Community Development Block Grant Program (CDBG) is fully supported with federal funds. Fiscal 2010 funding for this program is expected to increase \$2.0 million. However, a fiscal 2009 deficiency would provide \$17.4 million for the Neighborhood Stabilization Program, made available as a result of the federal Housing and Economic Recovery Act of 2008. When adjusting for this, the 2010 allowance decreases \$15.4 million.
- ***Partnership Rental Housing Program:*** As in fiscal 2009, the fiscal 2010 allowance for this program is entirely funded through GO bond proceeds. The allowance level funds the program.

- **Shelter and Transitional Housing Facilities Grant Program:** As in fiscal 2009, the fiscal 2010 allowance for this program is entirely funded through GO bond proceeds. The allowance level-funds the program.

Capital Improvement Program Reflects Future Reliance on GO Bonds

While the fiscal 2010 allowance includes \$22.5 million in GO bonds for all programs – a nearly three-fold increase over fiscal 2009 – it is important to note that the 2009 *Capital Improvement Program* (CIP) includes \$28.8 million in GO bonds for fiscal 2011. This represents a 28% increase over fiscal 2010 for this funding source, or a 284% increase when compared with the fiscal 2009 working appropriation. **Exhibit 3** shows the CIP GO bond funding for future years. The large jump in GO bonds anticipated for fiscal 2010 is sustained through 2014 in the current CIP. Other than the federally funded Community Development Block Grant Program, all of DHCD’s capital programs are expected to be entirely or partially funded with GO bonds every year over the next five years. The programmed reliance on GO bond funds in place of general funds reflects the State’s current fiscal situation. Should the fiscal situation improve, it is likely that the CIP would once again reflect the use of general funds to support DHCD revolving loan programs given that the use of GO bond funds creates federal private activity use restrictions.

Exhibit 3
Department of Housing and Community Development
General Obligation Bond Funding for Capital Programs
Fiscal 2006-2014
(\$ in Millions)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Homeownership Programs	0.00	0.00	0.00	2.80	2.80	2.60	2.40	1.70
Rental Housing Programs	0.00	0.00	0.00	2.90	8.20	7.80	7.40	7.00
Special Loans Programs	0.00	0.00	0.00	1.85	1.70	1.60	1.40	1.40
Community Legacy Program	0.00	0.00	0.00	6.50	6.50	6.50	6.50	6.50
Neighborhood Business Development Program	0.00	0.00	0.00	0.90	1.05	0.75	0.25	0.25
Partnership Rental Housing Programs	0.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00
Shelter and Transitional Housing Facilities Grant Program	1.00	1.00	1.50	1.50	1.50	1.50	1.50	1.50
Total	1.00	7.00	7.50	22.45	28.75	27.75	26.45	25.35

Note: Does not include federal Community Development Block Grant Program which will not require general obligation funding.

Source: Department of Budget and Management Capital Budget Worksheets

Overview Issues

1. The State of Affordable Rental Housing

A report released by DHCD in 2004 projected that the shortage of affordable rental housing could reach 157,000 units by 2014. At the time, the agency expressed it could address up to 40% of the shortage through existing programs and resources. Four years later, DHCD has revised its numbers, projecting that without DHCD's programs and resources, the shortage of affordable and available rental housing for families, seniors, and persons with disabilities could reach 138,525 units by 2015. Addressing this problem will require DHCD to increase the effectiveness of its resources and its current production levels.

As the shortage persists, the need is being exacerbated by the foreclosure problem which has further increased demand for affordable rental units. Homeowners whose property is in foreclosure often turn to affordable rental housing because of soured credit and financial distress. Foreclosures of rental properties have an even greater impact on the rental housing market because both the former homeowner and the renter may be in need of rental housing, meaning one foreclosure could result in two households in search of rental units. In rental properties with multiple units, numerous households are displaced at once, suggesting that foreclosure statistics alone understate the impact. At the same time, these events reduce the total amount of available affordable units in the rental market, driving down supply. Base Realignment and Closure in Maryland is expected to compound the projected need by an additional 3,893 units.

As these factors collectively drive the need for affordable rental housing, data suggests that average rents are increasing nationwide. According to the National Low Income Housing Coalition, Maryland has one of the worst wage-rent imbalances in the nation, noting that a Maryland household must earn more than \$16.07 per hour to afford the fair market rent for a two-bedroom unit at 30% of income.

Funding Mix May Reduce Program's Effectiveness

DHCD employs a variety of resources to finance the construction of affordable rental housing, including:

- Multi-family Revenue Bonds (nonbudgeted) – Since 1982, Community Development Administration loans for group homes and multi-family housing have been financed through the Multi-family Housing Revenue Bonds and the Housing Revenue Bonds programs. In general, proceeds from tax-exempt bonds are subject to restrictions, while the use of taxable bond proceeds may be used for any purpose. The AA rating on this indenture allows DHCD to issue mortgages at low-interest rates.

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- Rental Housing Program Funds (pay-as-you-go (PAYGO)) – This fund provides low-interest and deferred-payment loans for the financing of affordable rental housing construction. Programs include the Rental Housing Production Program, Elderly Rental Housing Program, the Maryland Housing Rehabilitation Program, and the Nonprofit Rehabilitation Program. The maximum loan amount for any project is \$2.0 million. Prior appropriations for this program have made use of general, special, and federal funds, or GO bond proceeds.
- Low Income Housing Tax Credits (LIHTC) (nonbudgeted) – LIHTC is a federal subsidy for the development of affordable rental housing. Developers that are awarded LIHTC credits are able to sell the credits to private investors to raise capital for their projects. This reduces the developers' debt and allows them to offer more affordable rents.

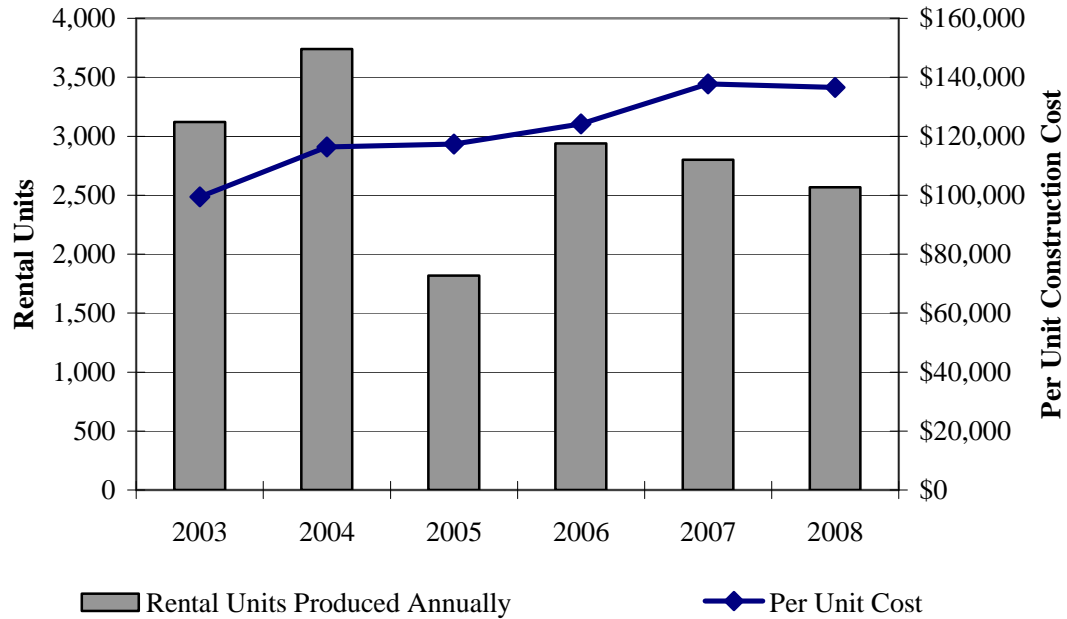
Through these programs, DHCD provides essential gap financing for the construction of rental housing, and in return the developer must rent a portion of the units to low- and moderate-income households. The developer draws from these programs to fill the gap after it has secured private or local government loans and grants. The ability to maximize each of these funds can be critical for a project to reach initial closing.

The fiscal 2010 allowance for the Rental Housing Program Fund includes \$2.9 million in GO bond funding. For projects that would have otherwise received Rental Housing Program Funds and qualified for 9% LIHTC, the ability to leverage the LIHTC equity may be limited because the tax-exempt status of GO bond funds creates restrictions on the use of the LIHTC 9% credit. DHCD advises that in some cases, projects may only qualify for the 4% LIHTC. This diminishes the potential equity by 55% and could render the financing of certain construction projects not workable.

Exhibit 4 illustrates how rising construction costs are further inhibiting production efforts. While the cost of constructing an affordable rental unit has increased nearly every year, the number of rental units produced annually has fluctuated but is on the decline overall. The program is level-funded in fiscal 2010; however, with rising construction costs and the introduction of GO bond funds, the allowance may not be sufficient to maintain 2009 production levels.

DLS recommends deleting \$2.9 million in GO bond funds in the Rental Housing Program. DLS also recommends budget bill language authorizing the transfer of \$2.9 million in special funds from the Neighborhood Business Development Program to the Rental Housing Program, and increasing the NBDP GO authorization to offset the transfer.

**Exhibit 4
Production of Affordable Rental Housing and Construction Costs
Fiscal 2003-2008**



Note: Includes number of homes bought by first-time homebuyers through the Maryland Mortgage Program which “frees up” affordable rental units.

Source: Department of Housing and Community Development

2. Federal Economic Stimulus to Enhance Existing Programs

The American Recovery and Reinvestment Act of 2009 makes \$183.7 million in federal funding available for housing-related activities in Maryland. As shown in **Exhibit 5**, funds will directly enhance the following existing programs in DHCD:

- Weatherization Assistance Program (operating):*** Maryland will receive an estimated \$63.2 million from the U.S. Department of Energy for the Weatherization Assistance Program (WAP) which provides energy efficiency services to low-income households. The additional funding will be provided to DHCD which directs the assistance to county agencies and nonprofit organizations. However, the existing formula which determines the allocation of funds among locals is expected to change under the new legislation. The legislation also loosens income restrictions, allowing the program to reach more homes. There are \$4.3 million in special funds, \$2.6 million in federal funds, and \$750,000 in reimbursable funds in the WAP fiscal 2010 budget.

Exhibit 5
American Recovery and Reinvestment Act of 2009
State Funds for Housing Related Activities

<u>Program</u>	<u>Nationwide</u>	<u>State</u>	<u>DHCD</u>
Weatherization Assistance	\$5,000,000,000	\$63,207,000	\$63,207,000
HOME Investment Partnerships	2,250,000,000	31,500,000	31,500,000
Community Services Block Grant	1,000,000,000	12,600,000	12,600,000
Emergency Shelter Grants	1,500,000,000	22,600,000	5,700,000
Community Development Block Grant	1,000,000,000	15,000,000	2,200,000
Neighborhood Stabilization Program	2,000,000,000	*	*
Public Housing Authorities Capital	4,000,000,000	38,768,000	0
Total	\$16,750,000,000	\$183,675,000	\$115,207,000

*Allocation of Neighborhood Stabilization Program funds unknown at this time. Funds will be awarded based on a competitive application process.

Source: Department of Housing and Community Development

- ***HOME Investment Partnerships Program (capital):*** The HOME program in the U.S. Department of Housing and Urban Development (HUD) provides federal assistance for the promotion of affordable housing for low-income families. Funds may be used for a variety of activities, including other existing HUD programs but must be primarily directed at expanding the supply of affordable housing units. DHCD will receive \$31.5 million that would be applied toward the Rental Housing Program. 75% of the funds must be committed by February 2010. The fiscal 2010 allowance for the Rental Housing Program includes \$12.6 million in special funds, \$4.8 million in federal funds, and \$2.9 million in general obligation bond funds.
- ***Community Services Block Grant Program (operating):*** \$12.6 million will be directed to the Community Services Block Grant Program (CSBG), which would grant the monies to local governments. The locals, in turn, provide the funds to Community Action Agencies (CAA) that offer a variety of services to low-income individuals. The legislation alters the program requirements slightly, such that CAAs receiving grants must provide services that target individuals with incomes at 200% of the federal poverty guideline, rather than 125%. The CSBG fiscal 2010 allowance includes \$10.3 million in federal funds, \$348,350 in special funds, and \$70,466 in general funds.
- ***Emergency Shelter Grants (operating):*** HUD’s Emergency Shelter Program (ESG) provides assistance to shelter facilities for operational costs, directly assists individuals requiring short-term homeless prevention, and funds the rehabilitation or remodeling of buildings to be used as shelters. A total of \$22.6 million will be awarded to Maryland under the federal

stimulus package, of which \$5.7 million will pass through the Division of Neighborhood Revitalization and be awarded to non-entitlement areas of the State. The fiscal 2010 allowance includes \$600,000 for ESG grants.

- ***Community Development Block Grant Program (capital):*** The CDBG program in the Division of Neighborhood Revitalization provides competitive grants to local governments for use in revitalizing neighborhoods, expanding affordable housing and economic opportunities, and improving community facilities and services. HUD would provide an additional \$2.2 million for CDBG purposes, although expenditures would be focused on infrastructure projects. The CDBG fiscal 2010 budget includes \$11.0 million in federal funds.
- ***Neighborhood Stabilization Program (capital):*** The federal stimulus provides \$2.0 billion nationwide for the Neighborhood Stabilization Program (NSP). Funds are currently unallocated and will be awarded to states and local jurisdictions at a later date through a competitive application process. Awards for NSP must be used to redevelop abandoned and foreclosed homes in communities impacted by foreclosure. Acquired properties may be rehabilitated; however, unlike prior NSP awards, they may not necessarily be used toward property demolition. Dollars will pass through the Community Development Block Grant Program, and language requires that 50% of funds be expended in two years and the full amount within three years. As mentioned, the CDBG fiscal 2010 allowance is \$11.0 million in federal funds.
- ***Local Public Housing Authorities (capital):*** Nationwide, \$4.0 billion is directed to local public housing authorities (PHA) under the federal stimulus bill. These funds are currently unallocated and would be awarded based on a competitive application process to help address an estimate \$32.0 billion nationwide backlog in capital needs, especially for energy efficiency in aging buildings. All funds for these purposes would be awarded directly to the local PHAs. Funds would not be awarded to DHCD.

The agency should comment on how it will administer the additional funding within existing staffing and resources and how it will commit the funds within federally mandated time frames. DHCD should also discuss the extent to which the federal HOME funds can supplant State GO bond funds especially in light of complications with partnering tax-exempt GO bond funds with federal Low Income Housing Tax Credits.

3. Update on the Maryland Housing Fund

Chapter 477 of 2008 required any unallocated reserves in the Maryland Housing Fund in excess of \$10.0 million to be transferred to DHCD's Homeownership, Rental Housing, and Special Loans Programs on July 1 of each year. On July 1, 2008, \$10.1 million was transferred to these programs, half of which backfilled general fund reductions taken during the 2008 session. The other half was intended to boost the programs' ending fund balances, further deferring the need for general funds in futures years. While the transfer did occur as required, the need for general funds in fiscal 2010 was not obviated, and the allowance is supplemented with GO bond funds for all three

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programs. This is partially due to loan repayments projections for the three housing PAYGO programs in fiscal 2010 and beyond that have been revised downward.

According to the revolving loan summaries for DHCD's programs, the expected transfer may be \$4.5 million in fiscal 2010 and \$3.0 million in the outlying years. This is because as the unallocated reserve balance decreases, there is less interest earning realized and, therefore, less excess to transfer to the housing programs. As shown in **Exhibit 6**, the MHF financial statements indicate an ending fund balance of \$12.2 million in the uncommitted unallocated reserve as of June 30, 2008.

In December 2008, the agency announced the suspension of its single family mortgage insurance program. This action leaves private mortgage insurers (PMIs) and the Federal Housing Administration (FHA) as the predominant insurers in the market. However, PMIs, once the key player in Maryland's mortgage insurance market, have effectively pulled out of the market, leaving FHA as the primary insurer for new loans.

DLS recommends the agency comment on the status of the MHF's unallocated reserve, future plans for use of the funds, and the prospect for transfers to the housing programs in accordance with Chapter 477 of 2008.

Exhibit 6
Maryland Housing Fund
Statements of Changes in Net Assets
Year Ended June 30, 2008
(\$ in Millions)

	<u>Multi-family Reserves</u>	<u>Regular Single-family Reserves</u>	<u>Revitalization (Pilot) Reserves</u>	<u>Home and Energy Loan Reserves</u>	<u>Unallocated Reserves</u>		<u>Unrestricted Accumulated Deficit¹</u>	<u>Total</u>
					<u>Committed</u>	<u>Uncommitted</u>		
Balance at June 30, 2007	\$44.7	\$32.3	\$2.2	\$0.5		\$28.2	-\$3.1	\$104.8
Interest income allocation		1.5				4.0	-5.5	
Transfers in/(out)					10.0	-20.0		-10.0
Changes in net assets							2.8	2.8
Balance at June 30, 2008	\$44.7	\$33.8	\$2.2	\$0.5	\$10.0	\$12.2	-\$5.8	\$97.6

¹The unrestricted accumulated deficit represents the cumulative net income (loss) of the Maryland Housing Fund since its inception less any investment income earned on the insurance reserves.

Note: Numbers may not sum to total due to rounding.

Source: Department of Housing and Community Development, Maryland Housing Fund Financial Statements for the year ending June 30, 2008.

Homeownership Programs (Statewide)

PAYGO SF	\$5,700,000	Recommendation: Approve
GO Bond	\$2,800,000	

Program Description: The Homeownership Programs provide below-market interest rate mortgage loans with minimum down payments to low- and moderate-income first-time homebuyers. Two programs comprise the Homeownership Programs: (1) the Maryland Home Financing Program (MHFP) makes direct loans to very low-income households for home purchases; and (2) the Downpayment and Settlement Expense Loan Program (DSELP) assists limited-income families in meeting settlement closing costs associated with home purchases. The maximum loan amounts are \$2,500 for DSELP and for the MHFP up to the appraised value of the property. The loans may be offered at as low as 0% for a term not to exceed 40 years.

Comments: Funding for Homeownership Programs is \$8.5 million, which is \$100,000 less than the level programmed in the 2008 *Capital Improvement Program* (CIP) for fiscal 2010. The decrease is due to the reallocation of federal HOME Investment Partnership Funds to other Department of Housing and Community Development (DHCD) programs. Moreover, the current CIP calls for general obligation (GO) bond funds for fiscal 2010 through 2014 which was not included in the 2008 CIP. The use of GO bond funds not only supplants the need for general funds but also addresses decreases in revenue growth and a declining fund balance.

Prior Authorization and Capital Improvement Program

Authorization Request (\$ in Millions)

<i>Description</i>	<i>2008 Approp.</i>	<i>2009 Approp.</i>	<i>2010 Request</i>	<i>2011 Estimate</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>	<i>2014 Estimate</i>
PAYGO GF	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
PAYGO SF	8.500	8.500	5.700	5.700	5.900	6.100	6.800
PAYGO FF	0.100	0.100	0.000	0.000	0.000	0.000	0.000
GO Bonds	0.000	0.000	2.800	2.800	2.600	2.400	1.700
Total	\$8.600	\$8.600	\$8.500	\$8.500	\$8.500	\$8.500	\$8.500

Fund Data

Fund History

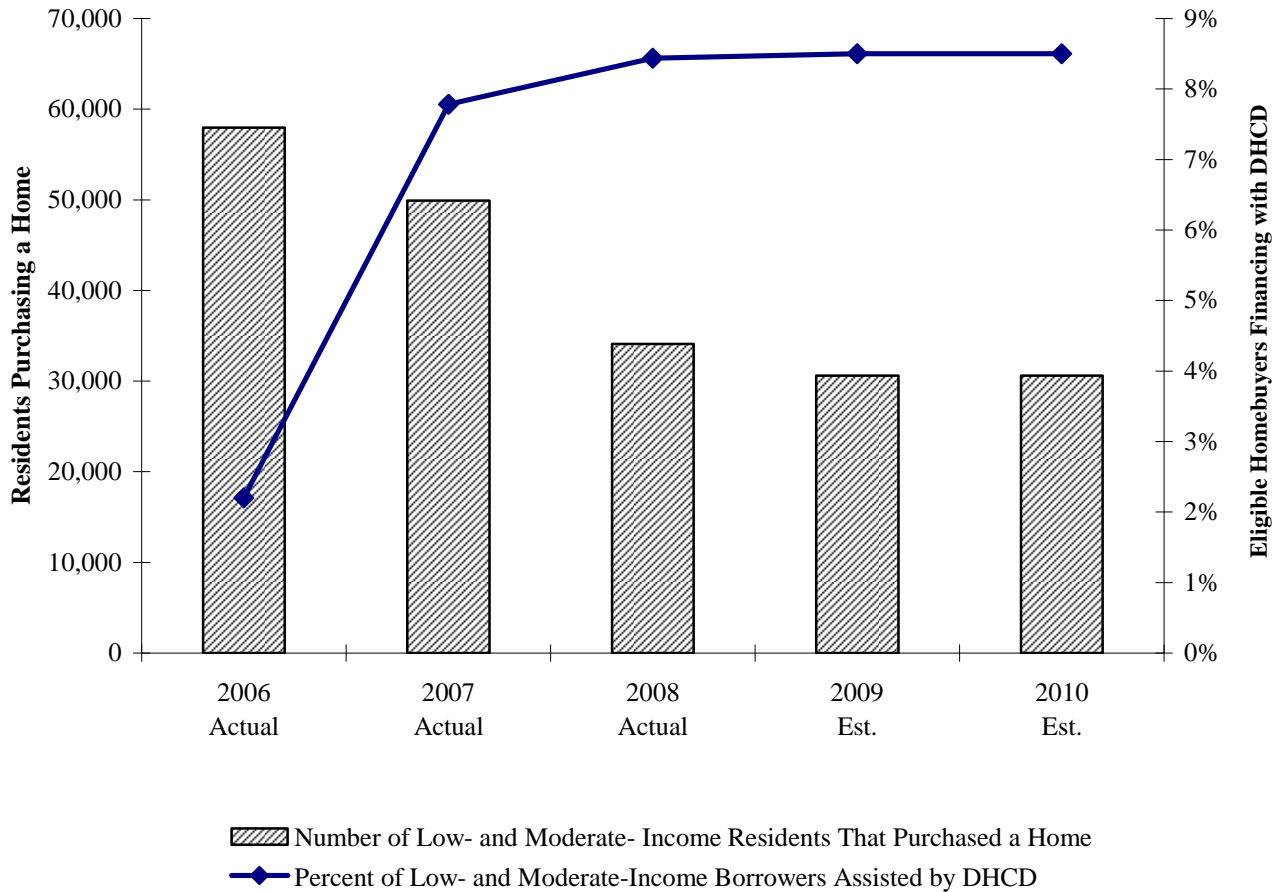
	<i>FY 2008 Actual</i>	<i>FY 2009 Estimated</i>	<i>FY 2010 Estimated</i>
Beginning Balance	\$3,616,229	\$1,576,975	\$176,975
Revenue			
GO Bonds	0	0	2,800,000
Transfer from Other Funds	0	1,000,000	-1,000,000
Transfer from MHF	1,800,000	0	2,500,000
Federal Funds	0	110,000	0
Loan Repayments and Interest	6,192,683	5,600,000	5,700,000
Cancel Encumbrances	167,950	150,000	0
Total Revenue	\$8,160,633	\$6,860,000	\$10,000,000
Total Available	\$11,776,862	\$8,436,975	\$10,176,975
Encumbrances			
Grants and Loans	\$8,500,000	\$7,000,000	\$8,500,000
Operating Expenses	1,699,887	1,260,000	1,530,000
Total Encumbrances	\$10,199,887	\$8,260,000	\$10,030,000
Ending Balance	\$1,576,975	\$176,975	\$146,975

- At the close of fiscal 2008, \$1.8 million was transferred to the Homeownership Program from the Maryland Housing Fund (MHF). The fiscal 2010 allowance assumes a \$2.5 million transfer from the MHF.
- In fiscal 2009, \$1.0 million was transferred to this program from the Rental Housing Programs. In fiscal 2010, \$1.0 million is expected to be transferred back to the Rental Housing Programs.

Program Analysis and Performance

Program Performance Analysis: One of DHCD's main objectives is to help low- and moderate-income residents purchase homes. Although the housing market has declined in recent years, DHCD continues to support a large share of the market it strives to serve. **Exhibit 7** shows the decline in the total number of low- and moderate-income residents that purchased a home in Maryland, which is consistent with the decline for all homebuyers regardless of income. At the same time, the percentage of those borrowers that were assisted by DHCD has increased. In fiscal 2006, DHCD provided financial assistance to 2.2% of low- and moderate-income residents purchasing homes within DHCD purchase price limits. That share increased to 7.8% in fiscal 2007 and 8.4% in fiscal 2008.

**Exhibit 7
Low- and Moderate-income Homeownership Assistance
Fiscal 2006-2010**



DHCD: Department of Housing and Community Development

Notes: Data on low- and moderate-income residents includes only those receiving financial, not technical, assistance from DHCD. Data on homebuyers assisted among all eligible homebuyers reflect the number of low- and moderate-income homebuyers receiving DHCD financing of all homebuyers meeting Maryland Mortgage Program purchase price limits.

Source: Department of Housing and Community Development

Fiscal 2009 Authorized Projects Status

<u>Jurisdiction</u>	<u>Project</u>	<u>Amount</u>
Maryland Home Financing Program (MHFP)		
Disabled Borrowers		
Allegany	1 Individual Loan	\$35,280
Baltimore	Individual Loans	108,168
Baltimore City	Individual Loans	125,847
Carroll	1 Individual Loan	251,621
Charles	1 Individual Loan	257,950
Dorchester	1 Individual Loan	102,114
Frederick	Individual Loans	439,168
Prince George's	Individual Loans	1,034,334
Washington	1 Individual Loan	96,320
Wicomico	Individual Loans	26,336
Subtotal Encumbered – Disabled Borrowers		\$2,477,138
Ground Rent Reduction		
Baltimore City	Individual Loans	\$3,700
Bridge to HOPE		
Anne Arundel	Individual Loans	\$39,316
Baltimore	1 Individual Loan	13,843
Calvert	1 Individual Loan	15,000
Caroline	Individual Loans	31,953
Carroll	1 Individual Loan	1,106
Charles	1 Individual Loan	15,000
Frederick	1 Individual Loan	10,863
Kent	1 Individual Loan	2,050
Montgomery	1 Individual Loan	9,362
Prince George's	Individual Loans	137,958
Queen Anne's	Individual Loans	24,463
Talbot	1 Individual Loan	2,018
Washington	1 Individual Loan	11,641
Wicomico	1 Individual Loan	14,822
Subtotal Encumbered – Bridge to HOPE		\$329,395
Subtotal Encumbered – MHFP		\$2,810,233

S00 – Department of Housing and Community Development – PAYGO

<u>Jurisdiction</u>	<u>Project</u>	<u>Amount</u>
Downpayment Settlement Expense Loan Program (DSELP)		
Allegany	Individual Loan(s)	\$52,500
Anne Arundel	Individual Loan(s)	50,000
Baltimore	Individual Loan(s)	201,500
Baltimore City	Individual Loan(s)	1,562,900
Calvert	Individual Loan(s)	25,000
Caroline	Individual Loan(s)	7,500
Carroll	Individual Loan(s)	20,000
Cecil	Individual Loan(s)	5,000
Charles	Individual Loan(s)	27,500
Dorchester	Individual Loan(s)	7,500
Frederick	Individual Loan(s)	115,000
Harford	Individual Loan(s)	82,500
Howard	Individual Loan(s)	2,500
Kent	Individual Loan(s)	7,500
Montgomery	Individual Loan(s)	7,500
Prince George's	Individual Loan(s)	176,200
Queen Anne's	Individual Loan(s)	2,500
Somerset	Individual Loan(s)	12,500
St. Mary's	Individual Loan(s)	35,000
Talbot	Individual Loan(s)	22,500
Washington	Individual Loan(s)	92,750
Wicomico	Individual Loan(s)	30,500
Worcester	Individual Loan(s)	12,500
Subtotal Encumbered – DSELP		\$2,558,850
Total Encumbered		\$5,369,083
Reserved but Not Yet Encumbered		
Statewide	MHFP	\$0
Statewide	Disabled Borrowers	1,001,513
Baltimore City	Ground Rent Reduction	10,013
Statewide	Bridge to HOPE	92,735
Statewide	DSELP	870,771
Subtotal – Reserved but Not Yet Encumbered		\$1,975,032
Total – Program Activity		\$7,344,115

Rental Housing Programs (Statewide)

PAYGO SF	\$12,600,000	Recommendation:	Approve
PAYGO FF	\$4,750,000		
GO Bond	\$2,900,000		
PAYGO Deficiency FF	\$6,676,126	Recommendation:	Approve deficiency

Program Description: Five programs are funded through the Rental Housing Programs: (1) Rental Housing Production Program; (2) Elderly Rental Housing Program; (3) Maryland Housing Rehabilitation Program – Multi-family; (4) Nonprofit Rehabilitation Program; and (5) Office and Commercial Space Conversion Program. The programs provide low-interest or deferred payment loans for rental housing developments targeting very low-income households. In general, projects serve families with incomes below 60% of the area median, with priority given to projects serving families with incomes below 30% of the area median. The maximum loan amount generally is \$2.0 million per project, with an interest rate as low as 4% for as many as 40 years.

Comments: Funding for the Rental Housing Programs in the fiscal 2010 allowance is \$20.3 million, which is consistent with the level programmed in the 2008 *Capital Improvement Program* (CIP) for fiscal 2010. While the 2008 CIP included \$8.5 million in general funds and \$7.0 million in special funds, the 2010 allowance now calls for \$2.9 million in general obligation bond funds and \$12.6 in special funds. Federal funds are expected to remain constant. However, a fiscal 2009 deficiency would provide \$6.7 million in federal funds for this program as a result of the Housing and Economic Recovery Act of 2008. When adjusting for this, the 2010 allowance decreases \$6.7 million in federal funds as compared to fiscal 2009. The special fund allowance maximizes the use of an available fund balance.

Prior Authorization and Capital Improvement Program

Authorization Request (\$ in Millions)

<i>Description</i>	<i>2008 Approp.</i>	<i>2009 Approp.</i>	<i>2010 Request</i>	<i>2011 Estimate</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>	<i>2014 Estimate</i>
PAYGO GF	\$2.608	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
PAYGO SF	12.890	15.500	12.600	7.300	7.700	8.100	8.500
PAYGO FF	4.400	4.750	4.750	4.750	4.750	4.750	4.750
Deficiency Funds FF	0.000	6.676	0.000	0.000	0.000	0.000	0.000
GO Bonds	0.000	0.000	2.900	8.200	7.800	7.400	7.000
Total	\$19.898	\$26.926	\$20.250	\$20.250	\$20.250	\$20.250	\$20.250

Note: A fiscal 2009 deficiency would provide \$6.7 million for the Rental Housing Program as a result of the Housing and Economic Recovery Act of 2008.

Fund Data

Fund History

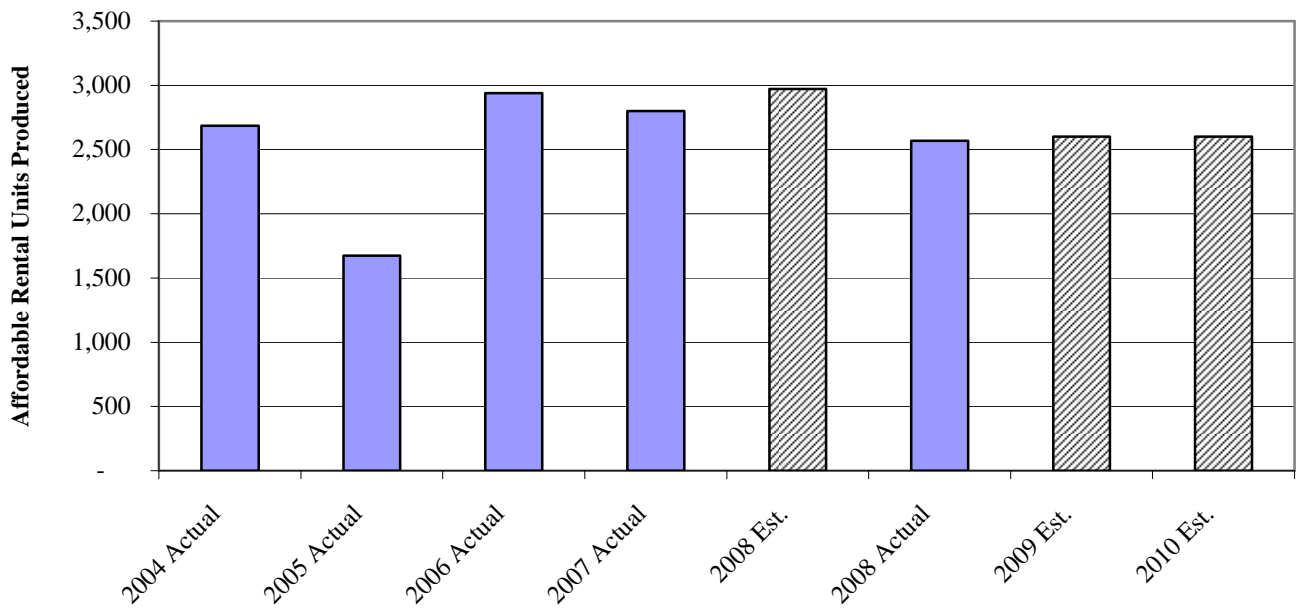
	<i>FY 2008 Actual</i>	<i>FY 2009 Estimated</i>	<i>FY 2010 Estimated</i>
Beginning Balance	\$15,225,104	\$14,448,489	\$3,658,489
Revenue			
GO Bonds	0	0	2,900,000
General Funds	2,608,000	0	0
Federal Funds	4,456,421	5,225,000	5,225,000
Transfer from Other Funds	0	-2,000,000	2,000,000
Transfer from Maryland Housing Fund	5,600,000	0	0
Loan Repayments and Interest	9,615,282	9,500,000	9,800,000
Total Revenue	\$22,279,703	\$12,725,000	\$19,925,000
Total Available	\$37,504,807	\$27,173,489	\$23,583,489
Encumbrances			
Grants and Loans	\$19,900,000	\$20,250,000	\$20,250,000
State Administrative Expenses	3,099,897	2,790,000	2,790,000
Federal Administrative Expenses	56,421	475,000	475,000
Total Encumbrances	\$23,056,318	\$23,515,000	\$23,515,000
Ending Balance	\$14,448,489	\$3,658,489	\$68,489

- A fiscal 2009 deficiency would provide \$6.6 million in federal funds, made available as a result of the Housing and Economic Recovery Act of 2008.
- In fiscal 2009, \$2.0 million was transferred out of this program, of which \$1.0 million went to the Homeownership Program and \$1.0 million went to the Special Loans Program. In fiscal 2010, these programs are expected to transfer \$1.0 million each back to the Rental Housing Program.
- At the close of fiscal 2008, \$5.6 million was transferred to the Rental Housing Program from the Maryland Housing Fund (MHF). The fiscal 2010 allowance assumes no funds will be transferred from the MHF.
- The fund balance at the close of fiscal 2008 was \$14.4 million. However, the ending fund balance in fiscal 2010 is expected to be only \$68,489. Since special fund revenues (loan repayments) are not sufficient to support the special fund appropriation, the fund balance is drawn down.

Program Analysis and Performance

Program Performance Analysis: One of the Department of Housing and Community Development’s (DHCD) primary goals is to expand decent, affordable rental housing in Maryland. To measure progress, DHCD tracks the number of new affordable housing units it supports that go to initial closing. The initial closing status means that DHCD and the borrower have closed the loan on the project and construction is about to begin. Final closing is achieved after construction is complete. As shown in **Exhibit 8**, unit production has fluctuated since fiscal 2004. In fiscal 2008, the number of units produced was 405 shy of the estimate, and 232 units less than fiscal 2007. If there is a delay in a project’s construction schedule, then the unit count may be applied to the following fiscal year. Furthermore, projects may vary in size and scope, with some projects involving several hundred units. There is an eight-month interval between competitions for State loan funds so it can be difficult to make up for projects that do not materialize in a particular year. DHCD indicates that the number of projects going to initial closing has slowed significantly in response to rising construction costs, tightening credit markets, and decreased equity available from federal Low Income Housing Tax Credits.

Exhibit 8
Affordable Rental Housing Units Going to Initial Closing
Fiscal 2004-2010



Note: Initial closing status means that the Department of Housing and Community Development and the borrower have closed the loan on the project and construction is about to begin. Final closing is achieved after construction is complete.

Source: Department of Housing and Community Development

Fiscal 2009 Authorized Projects Status

<u>Jurisdiction</u>	<u>Project</u>	<u>Amount</u>
Affordable Rental Housing – State Funds		
Baltimore City	Weinberg Manor West	\$948,934
Baltimore City	Weinberg Manor East	782,868
Dorchester County	Crusader Arms	500,000
Subtotal Encumbered – Affordable Rental Housing		\$2,231,802
Reserved but Not Yet Encumbered		
Anne Arundel	Annapolis Gardens/Bowman Courts	\$1,147,245
Baltimore City	Penn Square	2,000,000
Baltimore City	Poppleton II	500,000
Baltimore County	Old Eastern Senior	1,514,000
Dorchester	Cambridge Commons	521,288
Somerset	St. Dominics	1,326,150
Subtotal – Reserved but Not Yet Encumbered		\$7,008,683
Grand Total – Encumbered/Reserved		\$9,240,485
HOME – Encumbered		
Worcester	Cottages at Riverhouse (Split w/FY 08)	\$1,265,218
Subtotal – HOME Encumbered		\$1,265,218
HOME – Reserved but Not Yet Encumbered		
Allegany	East Side School	\$2,000,000
Kent	Calvert Heights	2,000,000
Kent	Woods Edge and Rock Hall	2,000,000
Somerset	Somerset Commons	1,500,000
Subtotal – HOME Reserved		\$7,500,000
Grand Total HOME – Encumbered/Reserved		\$8,765,218

Special Loans Programs (Statewide)

PAYGO SF	\$5,300,000	Recommendation: Approve
PAYGO FF	\$2,500,000	
GO Bond	\$1,850,000	

Program Description: Programs under the Special Loan Programs include the Maryland Housing Rehabilitation Program (MHRP), Indoor Plumbing Program (IPP), Lead Hazard Reduction Program (LHRP), and Group Home Financing (GHF) Program. The programs provide preferred interest rate loans and grants to families of low- and moderate-income; to sponsors whose small rental properties are leased substantially by limited-income families; and to nonprofit sponsors of housing facilities. In general, the funds may be used to construct or rehabilitate single-family homes and multi-family housing with four or fewer units, or to acquire properties for use as group homes or shelters.

Comments: Funding for the Special Loan Programs in the fiscal 2010 allowance is \$9.7 million, which is \$150,000 above the level programmed in the 2008 *Capital Improvement Program* (CIP) for fiscal 2010. While the 2008 CIP programmed \$2.0 million in general funds, \$6.0 million in special funds, and \$1.5 million in federal funds, the 2010 allowance now calls for \$1.9 million in general obligation bond funds, \$5.3 in special funds, and \$2.5 million in federal funds. The 2008 CIP projects a declining fund balance, which was \$2.0 million at the end of fiscal 2008 but is projected to drop to \$6,262 by the end of 2010.

Prior Authorization and Capital Improvement Program

Authorization Request (\$ in Millions)

<i>Description</i>	<i>2008 Approp.</i>	<i>2009 Approp.</i>	<i>2010 Request</i>	<i>2011 Estimate</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>	<i>2014 Estimate</i>
PAYGO GF	\$1.150	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
PAYGO SF	6.850	8.000	5.300	5.700	6.100	6.300	6.100
PAYGO FF	1.500	1.500	2.500	2.500	2.500	2.500	2.500
GO Bonds	0.000	0.000	1.850	1.700	1.600	1.400	1.400
Total	\$9.500	\$9.500	\$9.650	\$9.900	\$10.200	\$10.200	\$10.000

Fund Data**Fund History**

	<i>FY 2008 Actual</i>	<i>FY 2009 Estimated</i>	<i>FY 2010 Estimated</i>
Beginning Balance	\$2,134,425	\$2,003,262	\$43,262
Revenue			
GO Bonds	0	0	1,850,000
General Funds	1,150,000	0	0
Federal Funds	4,019,193	1,650,000	2,750,000
Transfer from Other Funds	0	1,000,000	-1,000,000
Transfer from Maryland Housing Fund	2,600,000	0	2,000,000
Loan Repayments and Interest	5,715,748	5,100,000	5,550,000
Cancel Encumbrances	2,687	200,000	0
Total Revenue	\$13,487,628	\$7,950,000	\$11,150,000
Total Available	\$15,622,053	\$9,953,262	\$11,193,262
Encumbrances			
Grants and Loans	\$11,534,000	\$8,500,000	\$9,650,000
State Administrative Expenses	1,599,598	1,260,000	1,287,000
Federal Administrative Expenses	485,193	150,000	250,000
Total Encumbrances	\$13,618,791	\$9,910,000	\$11,187,000
Ending Balance	\$2,003,262	\$43,262	\$6,262

- In fiscal 2009, \$1.0 million was transferred to this program from the Rental Housing Programs. In fiscal 2010, \$1.0 million is expected to be transferred back to the Rental Housing Programs.
- At the close of fiscal 2008, \$2.6 million was transferred to the Special Loans Program from the Maryland Housing Fund (MHF). The fiscal 2010 allowance assumes a \$2.0 million transfer from the MHF.
- The fund balance at the close of fiscal 2008 was \$2.0 million. However, the ending fund balance in fiscal 2010 is expected to be only \$6,262. Since special fund revenues (loan repayments) have not been sufficient to support the special fund appropriation, the fund balance is drawn down.

Program Analysis and Performance

Program Performance Analysis: The number of units assisted by Special Loan Programs is shown in **Exhibit 9**. Overall, the number of units assisted decreased 35% from fiscal 2005 to 2008. While assistance provided by the Indoor Plumbing Program and the Group Home Financing Program has grown significantly; the number of units assisted through the MHRP and LHRP each dropped more than 50%.

Exhibit 9
Units Assisted by Special Loans Program
Fiscal 2005-2009

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Est.</u> <u>2009</u>	<u>% Change</u> <u>2005-2008</u>
Maryland Housing Rehabilitation Program	161	66	76	73	77	-54.7%
Indoor Plumbing Program	5	7	6	44	10	780.0%
Lead Hazard Reduction Program	195	46	107	68	83	-65.1%
Group Home Financing Program	12	12	15	58	80	383.3%
Total Units Assisted	373	131	204	243	250	-34.9%

Source: Department of Budget and Management Capital Budget Worksheets; Department of Housing and Community Development

DHCD expects to allocate fiscal 2010 Special Loan funds among the programs as follows: 42% for MHRP, 38% for GHF, 18% for LHRP, and 2% for IPP. Note that MHRP funds some plumbing projects as part of larger renovations, while IPP is dedicated only to plumbing projects.

Fiscal 2009 Authorized Projects Status

<u>Jurisdiction</u>	<u>Amount</u>
Allegany	\$56,136
Anne Arundel	236,600
Baltimore	81,931
Baltimore City	70,529
Caroline	33,204
Carroll	15,231
Dorchester	11,889
Garrett	16,723
Harford	29,151
Kent	17,894
Prince George's	46,705
Somerset	6,665
Talbot	48,708
Washington	158,680
Wicomico	245,499
Worcester	20,000
Total – Encumbered	\$1,095,545
Reserved but Not Yet Encumbered	\$1,364,818
Federal Funds – HOME	
Allegany	\$115,414
Caroline	306,248
Frederick	160,000
Garrett	90,767
Talbot	116,862
Washington	102,670
Wicomico	191,343
Worcester	107,546
Total – Encumbered	\$1,190,850
Reserved but Not Yet Encumbered	
Various Jurisdictions	\$519,796

Neighborhood Business Development Program (Statewide)

PAYGO SF	\$3,100,000	Recommendation:	Delete \$900,000 in GO bond funds
GO Bond	\$900,000		

Program Description: The Neighborhood Business Development Program (NBDP) was established to provide gap financing for small businesses in locally designated revitalization areas. Loan financing ranges from \$25,000 to \$500,000 for each project and is designed to supplement private financing and equity from the borrower. Applicants must secure private financing equal to a 50% match on State loan funds and provide a 5% equity investment to receive a low-interest or deferred payment loan. The program also provides grants to nonprofit organizations that contribute to community-based economic development revitalization efforts. Approximately 70% of the program's funds are used for loans to private firms and nonprofits and 30% for grants to nonprofits.

Program funds also support the Capital Access Program (CAP), a component of NBDP established by Chapter 98 of 2000. CAP is a credit enhancement program that enables private lenders to establish a loan loss reserve fund from fees paid by lenders, borrowers, and the Department of Housing and Community Development (DHCD). Borrowers and participating lenders each contribute a premium of between 0.5 and 2.0% of a loan to a reserve fund, and DHCD matches the amount of the premium. CAP is not a direct loan program; it leverages private funds at an average rate of 40 to 1.

Chapter 209 of 2004 authorized DHCD to sell, assign, or otherwise dispose of up to \$4.0 million annually of the NBDP portfolio. The sale proceeds must be applied to the NBDP fund, and DHCD must make a reasonable good faith effort to commit 25% of the loans and grants to micro-enterprises. The legislation enabling the portfolio sales became effective October 2004. No sale has yet occurred.

Comments: The fiscal 2010 allowance for NBDP is \$4.0 million in special funds and general obligation (GO) bond funds. The 2008 *Capital Improvement Program* (CIP) assumed the program would require \$1.0 million general funds and \$5.0 million special funds. While the allowance includes \$900,000 GO bond funds in lieu of general funds, special funds decrease from \$5.0 million programmed in the 2008 CIP to only \$3.1 million. This is partially driven by loan repayments which are expected to decrease from \$4.7 million in fiscal 2008 to \$3.2 million by the end of 2009. Likewise, the ending fund balance drops from \$1.6 million at the end of fiscal 2008 to a projected \$5,843 by the end of fiscal 2010.

Prior Authorization and Capital Improvement Program

**Authorization Request
(\$ in Millions)**

<i>Description</i>	<i>2008 Approp.</i>	<i>2009 Approp.</i>	<i>2010 Request</i>	<i>2011 Estimate</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>	<i>2014 Estimate</i>
PAYGO GF	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
PAYGO SF	4.000	5.000	3.100	3.000	3.500	4.000	4.000
PAYGO FF	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GO Bonds	0.000	0.000	0.900	1.050	0.750	0.250	0.250
Total	\$4.000	\$5.000	\$4.000	\$4.050	\$4.250	\$4.250	\$4.250

Fund Data

Fund History

	<i>FY 2008 Actual</i>	<i>FY 2009 Estimated</i>	<i>FY 2010 Estimated</i>
Beginning Balance	\$3,527,731	\$1,605,843	\$305,843
Revenue			
General Obligation Bonds	0	0	900,000
Transfer Out	-2,000,000	0	0
Loan Repayments and Interest	4,652,365	3,200,000	3,300,000
Cancel Encumbrances	277,410	300,000	300,000
Total Revenue	\$2,929,775	\$3,500,000	\$4,500,000
Total Available	\$6,457,506	\$5,105,843	\$4,805,843
Encumbrances			
Grants and Loans*	\$4,000,000	\$4,000,000	\$4,000,000
Operating Expenses	851,663	800,000	800,000
Total Encumbrances	\$4,851,663	\$4,800,000	\$4,800,000
Ending Balance	\$1,605,843	\$305,843	\$5,843

S00 – Department of Housing and Community Development – PAYGO

- The fund balance at the close of fiscal 2008 was \$1.6 million. However, the ending fund balance in fiscal 2010 is expected to be only \$5,843. Since special fund revenues (loan repayments) have not been sufficient to support the special fund appropriation, the fund balance is drawn down.

Program Analysis and Performance

Program Performance Analysis: In fiscal 2008, the Neighborhood Business Works (NBW) Program approved financing through loans and grants to 18 small businesses and nonprofit organizations. NBW funding of \$4.0 million leveraged \$6.54 in private funding for every State dollar. According to the agency, this was the strongest leveraging rate of State funds since fiscal 2002. The loans expanded or created small businesses in designated neighborhoods that resulted in 223 new jobs.

Recommended Actions

1. SA24 (B) Neighborhood Business Development Program\$0

Allowance	Change	Authorization
900,000	-900,000	0

Explanation: This action would reduce the fiscal 2010 allowance by \$900,000 in general obligation bonds, resulting in a funding level of \$3.1 million in pay-as-you-go special funds.

Fiscal 2009 Authorized Projects Status

<u>County</u>	<u>Project Name</u>	<u>Amount</u>
Carroll	Comm. Foundation of Carroll County	\$30,000
Montgomery	Rosta Collections	500,000
Subtotal – Grant/Loan Activity to Date		\$530,000
Applications received		\$3,320,170
Capital Access Program		
	Various Jurisdictions	\$19,089
Subtotal – Capital Access		\$19,089
Reserved but Not Yet Encumbered		\$0
Grand Total		\$3,869,259

Community Development Block Grant Program (Statewide)

PAYGO FF	\$11,000,000	Recommendation:	Approve
PAYGO Deficiency FF	\$17,357,928	Recommendation:	Approve deficiency

Program Description: The federal Community Development Block Grant Program (CDBG) provides competitive grants to local governments in non-entitlement areas of the State to revitalize neighborhoods, expand affordable housing and economic opportunities, and improve community facilities and services. Entitlement areas receive a direct allocation of CDBG funds from the U.S. Department of Housing and Urban Development (HUD) and are not eligible for the State program. The State’s entitlement areas include Anne Arundel, Baltimore, Harford, Howard, Montgomery, and Prince George’s counties and the cities of Annapolis, Baltimore, Bowie, Cumberland, Frederick, Gaithersburg, Hagerstown, and Salisbury.

Comments: The fiscal 2010 allowance for CDBG is \$11.0 million in federal funds, \$2.0 million more than programmed in the 2008 *Capital Improvement Program* for fiscal 2010. However, a fiscal 2009 deficiency would provide \$17.4 million for the Neighborhood Stabilization Program in CDBG, made available as a result of the federal Housing and Economic Recovery Act of 2008. When adjusting for this, the 2010 allowance decreases \$15.4 million. Additional funds resulting from the legislation may become available in fiscal 2010.

Prior Authorization and Capital Improvement Program

**Authorization Request
(\$ in Millions)**

<i>Description</i>	<i>2008 Approp.</i>	<i>2009 Approp.</i>	<i>2010 Request</i>	<i>2011 Estimate</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>	<i>2014 Estimate</i>
PAYGO GF	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
PAYGO SF	0.000	0.000	0.000	0.000	0.000	0.000	0.000
PAYGO FF	10.000	9.000	11.000	10.000	10.000	10.000	10.000
Deficiency Funds	0.000	17.358	0.000	0.000	0.000	0.000	0.000
GO Bonds	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	\$10.000	\$26.358	\$11.000	\$10.000	\$10.000	\$10.000	\$10.000

Note: A fiscal 2009 deficiency would provide \$17.4 million for the Neighborhood Stabilization Program in CDBG as a result of the Housing and Economic Recovery Act of 2008.

Fund Data

Fund History

	<i>FY 2008 Actual</i>	<i>FY 2009 Estimated</i>	<i>FY 2010 Estimated</i>
Beginning Balance	\$0	\$0	\$0
Revenue			
Federal Funds	\$10,303,669	\$9,385,000	\$11,445,000
Transfer from Other Funds	0	0	0
Loan Repayments and Interest	0	0	0
Total Revenue	\$10,303,669	\$9,385,000	\$11,445,000
Total Available	\$10,303,669	\$9,385,000	\$11,445,000
Encumbrances			
Grants and Loans	\$10,000,000	\$9,000,000	\$11,000,000
Operating Expenses	303,669	385,000	445,000
Total Encumbrances	\$10,303,669	\$9,385,000	\$11,445,000
Ending Balance	\$0	\$0	\$0

- A fiscal 2009 deficiency would provide \$17.4 million for the Neighborhood Stabilization Program. These funds are made available as a result of the Housing and Economic Recovery Act of 2008. The total award of \$47.0 million would be allocated over two years. The remainder would be awarded in fiscal 2010; however, that amount is not reflected in the CIP.

Program Analysis and Performance

Program Performance Analysis: HUD requires that at least 70% of the funds benefit low- and moderate-income individuals. States may choose whether to meet this requirement in a one- or three-year period. In fiscal 2008, the CDBG program approved 26 new multi-year projects, primarily in rural areas. The projects will provide new housing and rehabilitated housing for an estimated 202 households, and it will improve and rehabilitate sewer systems, water systems, streets, and sidewalks for an estimated 3,377 individuals. A total of 200 new jobs may be created as well.

Fiscal 2009 Authorized Projects Status

<u>County</u>	<u>Grantee Name</u>	<u>Amount</u>
Allegany	County Commissioner of Allegany County	\$475,000
Allegany	County Commissioner of Allegany County	250,000
Allegany	Town of Midland	250,000
Caroline	County Commissioner of Caroline County	250,000
Carroll	County Commissioner of Carroll County	650,000
Carroll	Town of Union Bridge	195,300
Charles	Town of LaPlata	754,428
Garrett	Town of Friendsville	100,000
Kent	County Commissioner of Kent County	150,000
Somerset	City of Crisfield	20,000
Somerset	Town of Princess Anne	20,000
St. Mary's	County Commissioner of St. Mary's County	250,000
St. Mary's	Leonardtown	15,000
Talbot	Town of Easton	350,000
Wicomico	County Commissioner of Wicomico County	500,000
Wicomico	County Commissioner of Wicomico County	250,000
Wicomico	Town of Delmar	25,000
Worcester	City of Pocomoke	250,000
Worcester	City of Pocomoke	20,000
Subtotal – Encumbered		\$4,774,728
Reserved – Not Yet Encumbered		
Grand Total		\$4,774,728

Community Legacy Program (Statewide)

GO Bonds	\$6,500,000	Recommendation:	Decrease GO bond authorization from \$6.5 million to \$4.2 million. This would level-fund the program compared with the fiscal 2009 working appropriation
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Bill Text: Provide funds to assist neighborhoods with revitalization efforts. The funds shall be administered in accordance with Sections 6-201 through 6-213 of the Housing and Community Development Article and Code of Maryland Regulations (COMAR) 05.17.01.

Program Description: The Community Legacy Program provides grants and loans to assist in the revitalization of neighborhoods that are at risk of physical, economic, or social deterioration. Priority is given to communities with residents, businesses, and institutions that are committed to revitalization and have demonstrated leadership ability. Funds may be used for streetscapes and façades, recreational amenities, community gathering places, and other capital improvements that enhance the desirability of the community. Fund recipients may be community development organizations and local governments.

Comments: The fiscal 2010 allowance for the Community Legacy Program is \$6.5 million, which is the same level of funding provided in the 2008 *Capital Improvement Program* (CIP) but \$2.3 million greater than the working appropriation. This is due to cost containment actions taken by the Board of Public Works in 2008 which reduced the programs working appropriation from \$6.5 million to \$4.2 million. Those funds are restored in the fiscal 2010 allowance. While the program has been primarily supported with general funds in prior years, the fiscal 2010 allowance is entirely replaced with general obligation (GO) bond funds. The 2009 CIP identifies GO bonds as the sole source of funds through fiscal 2014.

Prior Authorization and Capital Improvement Program

Authorization Request (\$ in Millions)

<i>Description</i>	<i>2008 Approp.</i>	<i>2009 Approp.</i>	<i>2010 Request</i>	<i>2011 Estimate</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>	<i>2014 Estimate</i>
PAYGO GF	\$4.500	\$4.200	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
PAYGO SF	2.000	0.000	0.000	0.000	0.000	0.000	0.0000
PAYGO FF	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GO Bonds	0.000	0.000	6.500	6.500	6.500	6.500	6.500
Total	\$6.500	\$4.200	\$6.500	\$6.500	\$6.500	\$6.500	\$6.500

Note: Fiscal 2009 working appropriation reflects \$2.3 million cost containment action taken by the Board of Public Works.

Fund History

	<i>FY 2008 Actual</i>	<i>FY 2009 Estimated</i>	<i>FY 2010 Estimated</i>
Beginning Balance	\$226,907	\$280,195	\$130,195
Revenue			
GO Bonds	0	0	6,500,000
General Funds	4,500,000	4,239,556	0
Transfer from Other Funds	2,000,000	0	0
Loan Repayments and Interest	488,535	400,000	400,000
Cancel Encumbrances	65,935	0	0
Total Revenue	\$7,054,470	\$4,639,556	\$6,900,000
Total Available	\$7,281,377	\$4,919,751	\$7,030,195
Encumbrances			
Grants and Loans*	\$6,500,000	\$4,239,556	\$6,500,000
Operating Expenses	501,182	550,000	500,000
Total Encumbrances	\$7,001,182	\$4,789,556	\$7,000,000
Ending Balance	\$280,195	\$130,195	\$30,195

Program Analysis and Performance

Program Performance Analysis: In fiscal 2008, the Community Legacy Program approved 73 multi-year projects for communities throughout the State. The projects will renovate 99 housing units, create 334 new housing units, place 75 vacant or underutilized buildings totaling 379,010 square feet back into operation, remove 79 blighted buildings, and create 323 developable lots. All funds target the 23 designated Main Street Maryland communities.

Recommended Actions

1. SA24 (A) Community Legacy Program \$6,500,000

Allowance	Change	Authorization
6,500,000	-2,300,000	4,200,000

Explanation: This recommendation would decrease the fiscal 2010 allowance by \$2.3 million which would fund the Community Legacy Program at the fiscal 2009 funding level.

Fiscal 2008 Projects

<u>Awardee</u>	<u>Project Name</u>	<u>County</u>	<u>Capital Award</u>
Cumberland, City of	HRDC Green Roof	Allegany	\$100,000
Cumberland, City of	North Centre/North Mechanic Sts. Gateway Corridor Program	Allegany	100,000
Cumberland, City of	Virginia Avenue Corridor Infrastructure Improvements	Allegany	125,000
Frostburg, A Maryland Main Street	Upper-Story Redevelopment	Allegany	200,000
Annapolis, City of – Clay Street	Demolition Public Housing	Anne Arundel	175,000
Arundel Community Development Services, Inc.	Stillmeadows Acquisition/ Rehabilitation Program	Anne Arundel	250,000
Arundel Community Development Services, Inc.	Brooklyn Park Acquisition/Rehabilitation Program	Anne Arundel	250,000
Dundalk Renaissance Corporation	Housing Restoration Program	Baltimore	175,000
Greater Homewood Community Corp.	Waverly Main Street Office and Visitor’s Center	Baltimore City	40,000
Southeast Community Development Corp.	Arts & Entertainment District Cafe	Baltimore City	40,000
Southeast Community Development Corp.	Highlandtown Commercial Block Project	Baltimore City	50,000
Neighborhood Housing Services of Baltimore, Inc.	Belair-Edison Second Mortgage Program	Baltimore City	100,000
Unity Properties, Inc.	OROSW Home Improvement Program	Baltimore City	100,000
Historic East Baltimore Community Action Coalition	901 N. Milton Ave. Redevelopment	Baltimore City	125,000
Community Capital of Maryland, Inc.	Forest Park and Sandtown Acquisition and Rehabilitation Program	Baltimore City	200,000
Jubilee Baltimore, Inc.	Greenmount West Revolving Loan Fund	Baltimore City	250,000
Reinvestment Fund, The	The East Baltimore Revitalization Project	Baltimore City	250,000
Denton, Town of	Fourth Street Redevelopment Phase III	Caroline	100,000
Westminster, City of	Pennsylvania Avenue Streetscape Project	Carroll	175,000
Mount Airy Main Street Association	Revitalization Assistance Loan Program	Carroll	250,000
Cambridge, Commissioners of	Community Wayfinding Signage System	Dorchester	10,000
Cambridge, Commissioners of	Restoration and Expansion of Maritime Museum	Dorchester	75,000
Cambridge, Commissioners of	Post Fire Rehabilitation of Historic Building	Dorchester	200,000
Thurmont, Town of	Thurmont Trolley Path	Frederick	25,000
Thurmont, Town of	Thurmont Trolley Car	Frederick	30,000
Frederick, City of	Acquisition of Romsburg Property	Frederick	200,000
Garrett County, Maryland, Community Action Committee, Inc.	Grantsville Springs Road acquisition	Garrett	20,000
Garrett County, Maryland, Community Action Committee, Inc.	Hershberger Avenue extension streetscape	Garrett	25,000
Garrett County, Maryland, Community Action Committee, Inc.	Fort Alice Design	Garrett	25,000
Garrett County, Maryland, Community Action Committee, Inc.	Oakland – Friendsville Streetscape	Garrett	75,000
Havre de Grace, City of	Downtown Roundabout	Harford	40,000
Havre de Grace, City of	Pennington (Plaza) Streetscape Project	Harford	75,000
Aberdeen, City of	Facade Improvement Program	Harford	100,000
Harford County	Washington Court Access Road	Harford	200,000
Harford County	Washington Court Demolition	Harford	250,000
Gaithersburg, City of	Streetscape Improvements – Walker Historic District	Montgomery	75,000

<u>Awardee</u>	<u>Project Name</u>	<u>County</u>	<u>Capital Award</u>
Takoma Park, City of	Main Street Takoma Revolving Loan Fund	Montgomery	125,000
Takoma Park, City of	New Hampshire Avenue Corridor Initiative	Montgomery	150,000
District Heights, City of	City Beautiful Grant Program	Prince George's	25,000
Bowie, City of	Street Improvement Program	Prince George's	30,000
Seat Pleasant Community Development Corp.	Acquisition, Demolition and Construction Project	Prince George's	75,000
Gateway Municipalities Community Development Corp.	Joe's Movement Emporium/World Arts Focus	Prince George's	80,000
Port Towns Community Development Corporation	Acquisition of Targeted Town Center Properties	Prince George's	100,000
CASA of Maryland, Inc.	CASA of Maryland Multicultural Center	Prince George's	200,000
Hyattsville, City of	Rehabilitation of 4318 Gallatin Street	Prince George's	250,000
OpenDoor Housing Fund	Predevelopment/Acquisition Funding Prince George's County	Prince George's	250,000
Princess Anne, Town of	Downtown Revitalization – Facade and Events	Somerset	50,000
St. Mary's County	Housing Assistance – Lexington Park	St. Mary's	100,000
Easton, Town of	Facade Improvement Program	Talbot	75,000
Hagerstown, City of	Upper Floor Renovations/Revolving Loan Fund	Washington	100,000
Hagerstown, City of	South Potomac/Memorial Housing	Washington	150,000
Salisbury, City of	Homeowner Conversion Grant Program	Wicomico	50,000
Salisbury, City of	Rose Street/Delaware Avenue Redevelopment	Wicomico	65,000
Snow Hill, Town of	Facade Improvements	Worcester	20,000
Ocean City Development Corporation	Downtown Ocean City Entranceway project	Worcester	25,000
Ocean City Development Corporation	OCDC Commercial Facade Program	Worcester	50,000
Ocean City Development Corporation	OCDC Residential Facade Program	Worcester	50,000

CASA: Court Appointed Special Advocates
 HRDC: Human Resources Development Commission
 OCDC: Ocean City Development Corporation
 OROSW: Operation Reachout-Southwest

Partnership Rental Housing Programs (Statewide)

GO Bonds **\$6,000,000** **Recommendation: Approve**

Bill Text: Provide funds to be credited to the Partnership Rental Housing fund to be administered in accordance with Sections 4-501, 4-503, and 4-1201 through 4-1209 of the Housing and Community Development Article.

Program Description: The original Partnership Rental Housing Program provided deferred payment loans to local governments for rental housing construction and rehabilitation. The local governments provided the finished site including infrastructure. Chapter 117 of 2006 modified the program so that local governments have more flexibility in determining how their contribution is determined. Furthermore, the program now may provide financing to private developers as long as they agree to include a certain number of affordable rental units for disabled individuals in the project.

If the project is owned by a local government, loan repayment is not required as long as the local government housing authority owns the housing and rents it to families with incomes at 50% or less of the State’s median income. The loan amount generally is limited to \$75,000 per housing unit but under certain circumstances may be increased to \$85,000 per unit.

Comments: The fiscal 2010 allowance for the Partnership Rental Housing Program includes \$6.0 million in general obligation bonds. This is consistent with the amount programmed in the 2008 *Capital Improvement Program (CIP)*. The CIP anticipates future funding increases to \$7.0 million in fiscal 2011 through 2014.

Prior Authorization and Capital Improvement Program

**Authorization Request
(\$ in Millions)**

<i>Description</i>	<i>2008 Approp.</i>	<i>2009 Approp.</i>	<i>2010 Request</i>	<i>2011 Estimate</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>	<i>2014 Estimate</i>
PAYGO SF	2.000	0.000	0.000	0.000	0.000	0.000	0.000
GO Bonds	6.000	6.000	6.000	7.000	7.000	7.000	7.000
Total	\$8.000	\$6.000	\$6.000	\$7.000	\$7.000	\$7.000	\$7.000

Authorization Encumbrance and Expenditure Data

Authorization Summary (\$ in Millions)

<i>Fiscal Year</i>	<i>Authorization</i>	<i>Funds</i>		<i>Balances</i>	
		<i>Encumbered</i>	<i>Expended</i>	<i>To Be Encumbered</i>	<i>To Be Expended</i>
Prior Years	\$150.558	\$150.539	\$149.920	0.019	0.638
2005	6.000	6.000	4.068	0.000	1.932
2006	6.000	6.000	4.665	0.000	1.335
2007	6.000	6.000	0.833	0.000	5.167
2008	8.000	8.000	0.857	0.000	7.143
2009	6.000	0.000	0.000	6.000	6.000
Total	\$182.558	\$176.539	\$160.343	\$6.019	\$22.215

The authorization summary reflects approximately \$22.2 million of prior authorized unexpended funds of which \$2.6 million is from authorization made in the 2004 and earlier sessions. **The Department of Housing and Community Development should provide a status on projects for which expenditures are still yet to be booked. In addition, the department should comment on whether any of the older encumbrances for which expenditures have not taken place may now be deauthorized by the State.**

Program Analysis and Performance

The Department of Housing and Community Development reports that the Partnership Rental Housing Program committed funding to 219 workforce/affordable housing units in fiscal 2008 through six projects for households whose incomes are below 50% of the median income for the project's location. The pipeline of future requests currently exceeds \$154.0 million.

Fiscal 2009 Proposed Projects

<u>County</u>	<u>Project Name</u>	<u>Total Est. Project Cost</u>	<u>Prior Authorization</u>	<u>Current Year Amount</u>	<u>Future Request</u>	<u>Total State Share</u>
Allegany	Frederick Street	\$4,991,649	\$0	\$1,305,000	\$820,000	43%
Baltimore City	Disability Units – Poppleton II	525,000	0	525,000	0	100%
Baltimore City	Orchard Ridge Phase III	13,300,000	3,565,000	2,980,000	0	49%
St. Mary’s	Greenview Village	6,540,000	0	1,190,000	0	18%
Total		\$25,356,649	\$3,565,000	\$6,000,000	\$820,000	

Fiscal 2010 Proposed Projects

<u>County</u>	<u>Project Name</u>	<u>Total Est. Project Cost</u>	<u>Prior Authorization</u>	<u>Current Year Amount</u>	<u>Future Request</u>	<u>Total State Share</u>
Allegany	Frederick Street	\$4,991,649	\$1,305,000	\$820,000	\$0	43%
Baltimore City	Thompson 22	4,000,000	0	1,650,000	0	41%
Howard	Guilford Gardens	15,000,000		3,500,000	0	23%
St. Mary’s	Indian Bridge	14,500,000		30,000	2,520,000	18%
Total		\$38,491,649	\$1,305,000	\$6,000,000	\$2,520,000	

Shelter and Transitional Housing Facilities Grant Program (Statewide)

GO Bonds **\$1,500,000** **Recommendation: Approve**

Bill Text: Provide grants to acquire, design, construct, renovate, and equip facilities for homeless individuals and families. The funds shall be administered in accordance with the Code of Maryland Regulations (COMAR) 05.05.09.

Program Description: The Shelter and Transitional Housing Facilities Grant Program provides grants to local governments and nonprofit organizations to develop emergency shelters and transitional housing for homeless individuals and families. Funding is generally limited to 50% of a project’s costs but in exceptional cases may be as high as 75%.

Comments: The \$1.5 million general obligation bond request for fiscal 2010 is consistent with the amount programmed in the 2008 *Capital Improvement Program*. Currently, there are three proposed projects for fiscal 2010 totaling \$1.5 million. Future requests for these projects total \$2.1 million. In addition to these projects, there are four other projects in the pipeline with total projected future costs of \$15.0 million

Prior Authorization and Capital Improvement Program

**Authorization Request
(\$ in Millions)**

<i>Description</i>	<i>2008 Approp.</i>	<i>2009 Approp.</i>	<i>2010 Request</i>	<i>2011 Estimate</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>	<i>2014 Estimate</i>
GO Bonds	1.000	1.500	1.500	1.500	1.500	1.500	1.500
Total	\$1.000	\$1.500	\$1.500	\$1.500	\$1.500	\$1.500	\$1.500

Authorization Encumbrance and Expenditure Data

Authorization Summary (\$ in Millions)

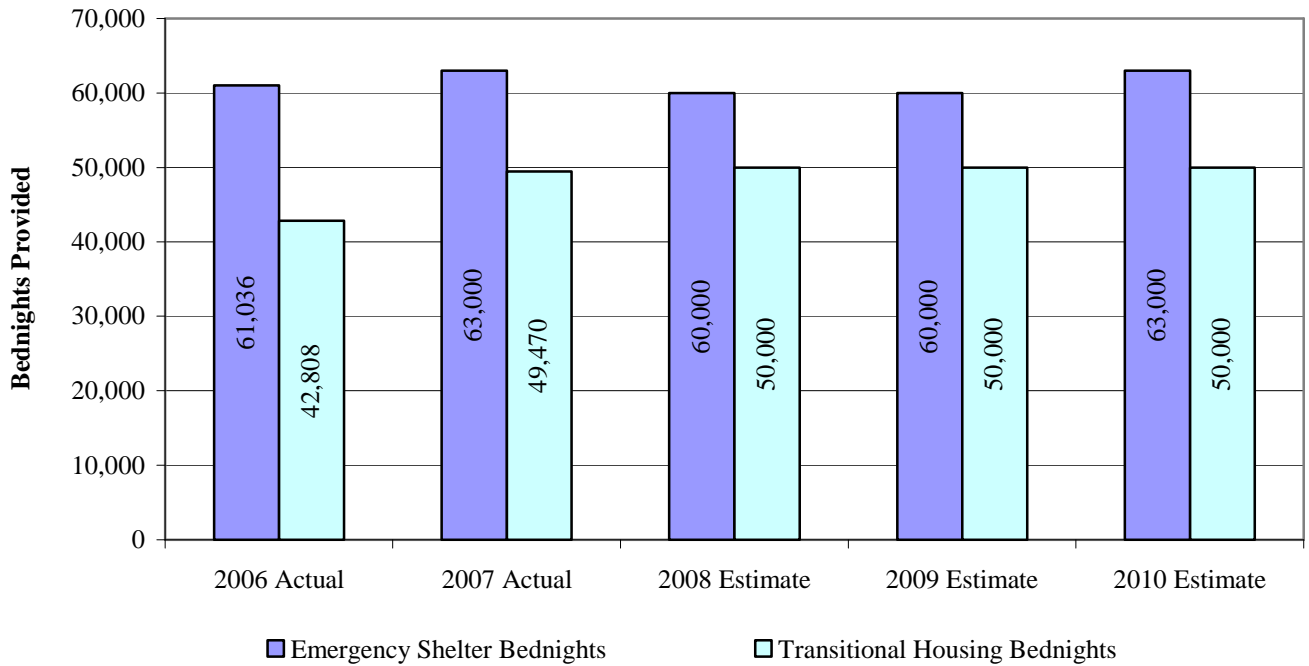
<i>Fiscal Year</i>	<i>Authorization</i>	<i>Funds</i>		<i>Balances</i>	
		<i>Encumbered</i>	<i>Expended</i>	<i>To Be Encumbered</i>	<i>To Be Expended</i>
Prior Years	\$13.950	\$13.950	\$13.950	0.000	0.000
2005	1.000	1.000	1.000	0.000	0.000
2006	1.000	1.000	1.000	0.000	0.000
2007	1.000	1.000	0.600	0.000	0.400
2008	1.000	1.000	0.392	0.000	0.608
2009	1.500	0.000	0.000	1.500	1.500
Total	\$19.450	\$17.950	\$16.942	\$1.500	\$2.508

Program Analysis and Performance

Program Performance Analysis: The program produced housing and shelter for 136 households in three separate projects in fiscal 2008. The program is expected to produce housing and shelter for 147 households from three projects in fiscal 2009. The number of beds produced is counted at the conclusion of a project. This number may vary significantly depending upon the units contained in each project. As a result, there may be wide swings in the bed count number from year to year.

The Department of Housing and Community Development Shelter and Transitional Housing program is one of the public and private funding sources for homeless services in Maryland. **Exhibit 10** shows the total number of emergency shelter and transitional housing bednights provided to the homeless statewide for facilities that receive State funds.

Exhibit 10
Shelter and Transitional Housing Provided for the Homeless Statewide
Fiscal 2006-2010



Source: Maryland Department of Human Resources

Fiscal 2009 Proposed Projects

<u>County</u>	<u>Project Name</u>	<u>Total Est. Project Cost</u>	<u>Prior Authorization</u>	<u>Current Year Amount</u>	<u>Future Request</u>	<u>Total State Share</u>
Anne Arundel	Light House Shelter	\$8,500,000	\$0	\$314,148	\$885,852	14%
Baltimore City	House of Freedom II	6,900,000	0	300,000	1,200,000	22%
Calvert	Project Echo	1,600,000	0	885,852	-	55%
Total		\$17,000,000	\$0	\$1,500,000	\$2,085,852	

Fiscal 2010 Proposed Projects

<u>County</u>	<u>Project Name</u>	<u>Total Est. Project Cost</u>	<u>Prior Authorization</u>	<u>Current Year Amount</u>	<u>Future Request</u>	<u>Total State Share</u>
Anne Arundel	Light House Shelter	\$8,500,000	\$314,148	\$885,852	-	14%
Baltimore City	House of Freedom II	6,900,000	300,000	614,148	\$585,852	22%
Total		\$15,400,000	\$614,148	\$1,500,000	\$585,852	