

**SA0**  
**Department of Housing and Community Development – Capital**

***Capital Budget Summary***

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**Grant and Loan *Capital Improvement Program***  
**(\$ in Millions)**

<b>Program</b>	<b>2019 Approp.</b>	<b>2020 Approp.</b>	<b>2021 Request</b>	<b>2022 Estimate</b>	<b>2023 Estimate</b>	<b>2024 Estimate</b>	<b>2025 Estimate</b>
Community Development Block Grant Program	\$9.000	9.000	\$12.000	\$9.000	\$9.000	\$9.000	\$9.000
Baltimore Regional Neighborhoods Initiative	8.000	11.825	12.000	12.000	3.000	3.000	3.000
MD BRAC Preservation Loan Fund	2.500	0.000	0.000	0.000	0.000	0.000	0.000
Community Legacy Program	8.000	6.000	6.000	6.000	6.000	6.000	6.000
Neighborhood Business Development Program	5.500	10.200	10.700	10.200	10.200	11.700	11.700
Seed Community Development Anchor Institution Fund	4.000	2.500	5.000	5.000	5.000	5.000	5.000
Strategic Demolition Fund	28.500	11.250	26.500	13.500	13.500	0.000	0.000
National Capital Strategic Economic Development Fund	1.000	4.000	0.000	0.000	0.000	0.000	0.000

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Homeownership Programs	13.500	23.000	19.000	19.000	19.000	19.000	19.000
Housing and Building Energy Programs	10.050	10.050	10.600	10.350	10.350	10.350	10.350
Local Government Infrastructure Fund	0.000	9.680	9.180	10.180	8.180	9.180	0.000
Partnership Rental Housing Program	6.000	6.000	6.000	6.000	6.000	6.000	6.000
Rental Housing Programs	45.000	36.000	61.500	46.500	46.500	46.500	46.500
Shelter and Transitional Housing Facilities Grant Program	3.000	4.000	3.000	3.000	3.000	3.000	3.000
Special Loan Programs	9.400	11.300	10.400	10.400	10.400	10.400	10.400
<b>Total</b>	<b>\$153.450</b>	<b>\$154.805</b>	<b>\$191.880</b>	<b>\$161.130</b>	<b>\$150.130</b>	<b>\$139.130</b>	<b>\$129.950</b>

<b>Fund Source</b>	<b>2019 Approp.</b>	<b>2020 Approp.</b>	<b>2021 Request</b>	<b>2022 Estimate</b>	<b>2023 Estimate</b>	<b>2024 Estimate</b>	<b>2025 Estimate</b>
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PAYGO GF	\$9.000	\$20.325	\$12.500	\$14.000	\$5.000	\$5.000	\$5.000
PAYGO SF	33.450	55.950	34.700	34.450	34.450	34.450	34.450
PAYGO FF	16.200	16.200	23.000	17.000	17.000	17.000	17.000
GO Bonds	94.800	62.330	121.680	95.680	93.680	82.680	73.500
<b>Total</b>	<b>\$153.450</b>	<b>\$154.805</b>	<b>\$191.880</b>	<b>\$161.130</b>	<b>\$150.130</b>	<b>\$139.130</b>	<b>\$129.950</b>

FF: federal funds  
 GF: general funds  
 GO: general obligation  
 MD BRAC: Maryland Base Realignment and Closure  
 PAYGO: pay-as-you-go  
 SF: special funds

## ***Key Observations***

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- Compared to the fiscal 2020 funding level, the department’s fiscal 2021 budget increases by \$37.0 million to \$191.9 million for all fund sources.
- Overall, for the four years that the 2020 session and 2019 session *Capital Improvement Programs* (CIP) overlap (fiscal 2021 through 2024), the Department of Housing and Community Development (DHCD) programs are scheduled to receive \$45.0 million more in the 2020 CIP. Of this, \$25 million would replace funding for the Strategic Demolition and Rental Housing Programs that was restricted in the fiscal 2020 Dedicated Purpose Account (DPA) appropriation and not released by the Governor.
- The Budget Reconciliation and Financing Act (BRFA) of 2020 includes two provisions related to DHCD’s capital programs. One provision would eliminate the \$10 million mandate for the Seed Community Development Anchor Institution Fund and reduce this program’s funding to \$5 million. The other provision would eliminate the National Capital Strategic Economic Development Program, including the mandate to include \$7 million in the capital budget and \$200,000 in the operating budget for the program.
- DHCD has identified \$22.5 million of funding that it anticipates dedicating to projects in opportunity zones throughout the State, accounting for nearly 12% of funding in DHCD’s overall capital budget. This funding for opportunity zones is divided between the Neighborhood Business Development, Strategic Demolition, and Rental Housing programs.

## ***Summary of Recommended PAYGO Actions***

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1. Strike the contingent reduction for the Seed Community Development Anchor Institution Fund.

## ***Summary of Recommended Bond Actions***

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1. Baltimore Regional Neighborhoods Initiative

Approve funding for the Baltimore Regional Neighborhoods Initiative.

2. Community Legacy Program

Approve funding for the Community Legacy Program.

### **Funds**

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3.	Neighborhood Business Development Program	
	Approve funding for the Neighborhood Business Development Program.	
4.	Seed Community Development Anchor Institution Fund	\$5,000,000 GO
	Delete funding for the Seed Community Development Anchor Institution Fund.	
5.	Strategic Demolition Fund	\$13,000,000 GO
	Reduce funding for the Strategic Demolition Fund.	
6.	Homeownership Programs	
	Approve funding for Homeownership Programs.	
7.	Housing and Building Energy Programs	\$1,000,000 GO
	Delete funding for the Net Zero Program.	
8.	Local Government Infrastructure Fund – Rural Broadband	
	Approve funding for the Local Government Infrastructure Fund.	
9.	Partnership Rental Housing Program	
	Approve funding for the Partnership Rental Housing Program.	
10.	Rental Housing Programs	\$12,000,000 GO
	Reduce funding for Rental Housing Programs.	
11.	Shelter and Transitional Housing Facilities Grant Program	
	Approve funding for the Shelter and Transitional Facilities Grant Program.	
12.	Special Loan Programs	
	Approve funding for Special Loan Programs.	
	<b>Total General Obligation Reductions</b>	<b>\$31,000,000</b>

## Summary of Budget Reconciliation and Financing Act Recommended Actions

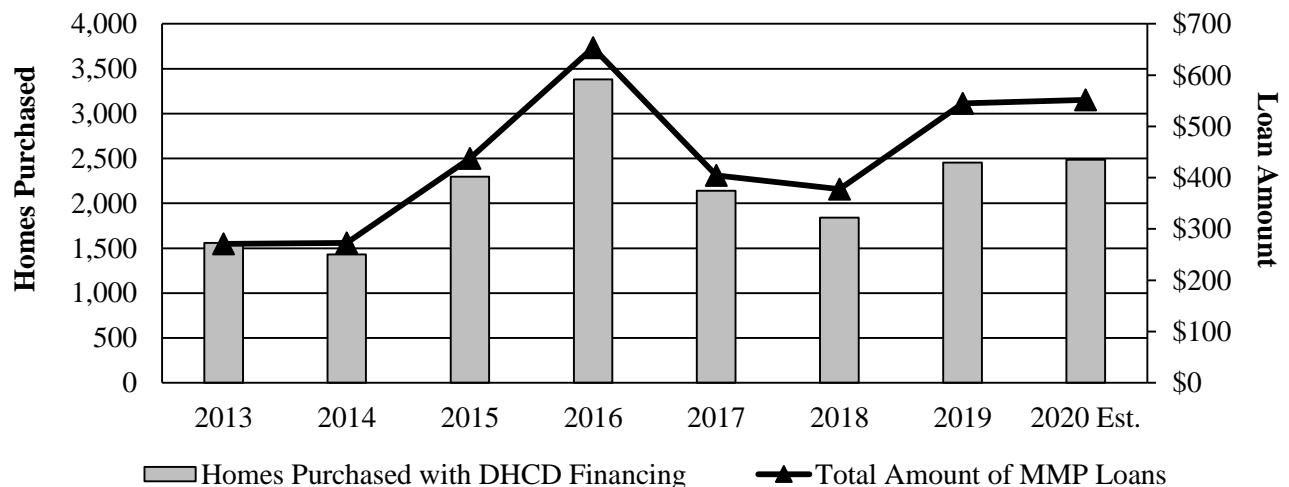
1. Reject the contingent reduction of \$5.0 million in general funds in fiscal 2021 as well as the provision to repeal the \$10.0 million mandate for the Seed Community Development Anchor Institution Fund.

## Performance Measures and Outputs

### Homeownership Assistance Increases

One of DHCD’s main objectives is to help low- and moderate-income residents purchase homes. The Maryland Mortgage Program (MMP) and the Down Payment and Settlement Expense Loan Program (DSELP) are essential components of DHCD’s homeownership efforts. **Exhibit 1** shows the large spike in the number of DSELP and MMP loans in fiscal 2015 and 2016 followed by two years of decline, before increasing again in fiscal 2019. Homeownership programs received \$13.5 million in fiscal 2019 compared to \$10.3 million in fiscal 2018.

**Exhibit 1**  
**Homeownership Assistance**  
Fiscal 2013-2020 Est.  
(\$ in Millions)

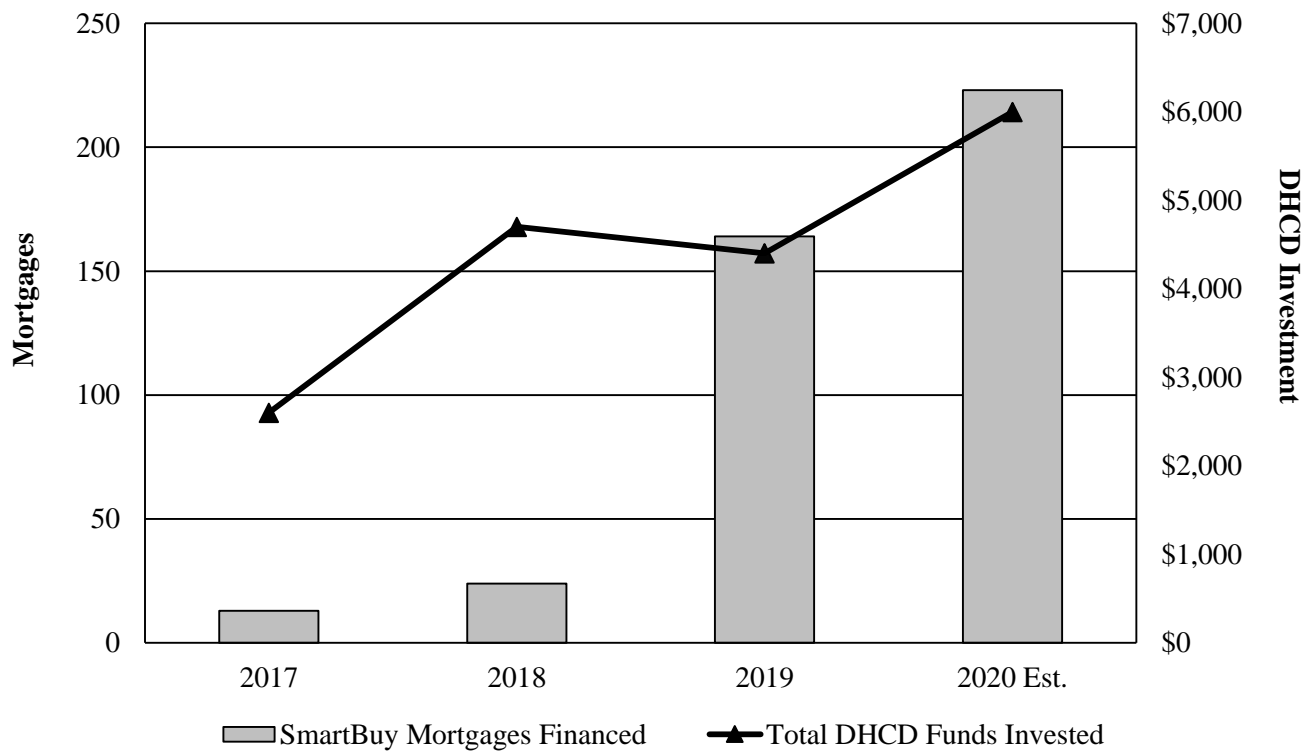


DHCD: Department of Housing and Community Development  
MMP: Maryland Mortgage Program

Source: Governor’s Fiscal 2021 Budget Books

The SmartBuy initiative assists qualified applicants with eligible student loan debt to purchase homes by providing financing and closing cost assistance, including loan forgiveness of up to 15% of the purchase price. The program first launched in fiscal 2017 and limited purchases to Community Development Administration (CDA)-owned properties with a maximum of \$30,000 of student debt relief. The second iteration, known as SmartBuy 2.0, launched in summer 2018 and is open to anyone purchasing a home in Maryland that meets MMP guidelines. SmartBuy 2.0 provides a maximum of \$40,000 of student debt relief. As shown in **Exhibit 2**, the number of mortgages financed through the SmartBuy program increased dramatically in 2019, following the launch of SmartBuy 2.0 and DHCD receiving additional funding. Through the end of fiscal 2019, 201 mortgages were approved, and DHCD provided \$5.4 million in student debt relief.

**Exhibit 2**  
**SmartBuy Mortgages**  
 Fiscal 2017-2020 Est.  
 (\$ in Thousands)



DHCD: Department of Housing and Community Development

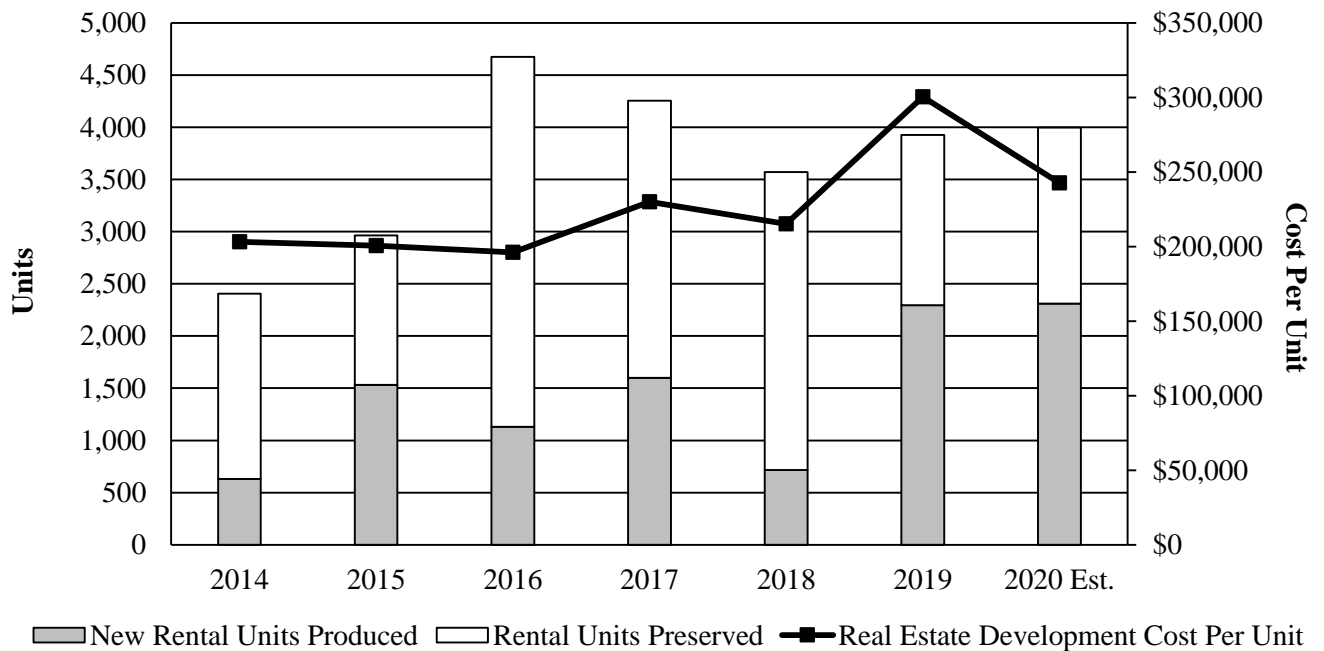
Source: Governor’s Fiscal 2021 Budget Books

## Affordable Rental Unit Production

Another DHCD goal is to expand the production of affordable rental housing units in Maryland in response to an increasing shortage of affordable rental units. DHCD has several programs geared toward rental housing, including providing rent subsidies to families (in partnership with local government and private-sector organizations) and providing financing to housing authorities and other developers to construct new or preserve existing rental housing.

DHCD tracks the number of new, affordable rental housing units created or preserved through its financial support. The number of units produced is based on the projects that go to initial closing, meaning 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 3**, the total number of rental units preserved and produced increased in fiscal 2019 to nearly 4,000 units, including 2,296 new units produced. The department notes that the mix of units produced versus preserved depends on many factors, including shifts in the market and DHCD’s qualified allocation plan for competitive tax credits. The spike in the per unit cost that occurred in 2019 and the leveling off estimated for fiscal 2020 correlates with regional measures of construction cost inflation.

**Exhibit 3**  
**Affordable Rental Housing Units Going to Initial Closing**  
**Fiscal 2014-2020 Est.**



Source: Governor’s Fiscal 2021 Budget Books

## ***Budget Overview***

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DHCD has two programmatic units: the Division of Neighborhood Revitalization; and the Division of Development Finance. The Division of Neighborhood Revitalization provides technical and financial assistance to stabilize and revitalize existing neighborhoods, while the Division of Development Finance provides financial lending and loan underwriting.

DHCD's fiscal 2021 capital budget includes 13 programs. In addition, the National Capital Strategic Economic Development Program received funding in fiscal 2020 but does not receive funding in fiscal 2021. Across all programs, the Governor's proposed fiscal 2021 capital budget for DHCD increases by \$37 million to \$191.9 million compared to the fiscal 2020 funding level of \$154.8 million. General obligation (GO) bonds comprise \$121.7 million of the budget (63%) compared to \$62.3 million (40%) in fiscal 2020. The year-over-year increase is driven by \$59.4 million in additional GO bonds. General funds decrease by \$7.8 million, and special funds decrease by \$21.3 million. **Exhibit 4** shows the fiscal 2021 capital budget by program and fund source.

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**Exhibit 4**  
**Capital Budget by Program and Fund Source**  
**Fiscal 2021**  
**(\$ in Millions)**

	<u>GO Bonds</u>	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Total</u>	<u>% Change from Fiscal 2020</u>	<u>% Change from 2019 CIP</u>
Community Development Block Grant Program	\$0.000	\$0.000	\$0.000	\$12.000	\$12.000	33.3%	33.3%
Baltimore Regional Neighborhoods Initiative	12.000	0.000	0.000	0.000	12.000	1.5%	0.0%
Community Legacy Program	6.000	0.000	0.000	0.000	6.000	0.0%	0.0%
Neighborhood Business Development Program	8.000	0.500	2.200	0.000	10.700	4.9%	4.9%
Seed Community Development Anchor Institution Fund	5.000	0.000	0.000	0.000	5.000	100.0%	0.0%
Strategic Demolition Fund	26.500	0.000	0.000	0.000	26.500	135.6%	96.3%



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	<u>GO Bonds</u>	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Total</u>	<u>% Change from Fiscal 2020</u>	<u>% Change from 2019 CIP</u>
National Capital Strategic Economic Development Program	0.000	0.000	0.000	0.000	0.000	-100.0%	N/A
Homeownership Programs	16.000	0.000	3.000	0.000	19.000	-17.4%	0.0%
Housing and Building Energy Programs	1.000	0.000	8.600	1.000	10.600	5.5%	5.5%
Local Government Infrastructure Fund	9.180	0.000	0.000	0.000	9.180	-5.2%	0.0%
Partnership Rental Housing Program	6.000	0.000	0.000	0.000	6.000	0.0%	0.0%
Rental Housing Programs	25.000	12.000	16.500	8.000	61.500	70.8%	33.7%
Shelter and Transitional Housing Facilities Grant Program	3.000	0.000	0.000	0.000	3.000	-25.0%	0.0%
Special Loan Programs	4.000	0.000	4.400	2.000	10.400	-8.0%	0.0%
<b>Total</b>	<b>\$121.680</b>	<b>\$12.500</b>	<b>\$34.700</b>	<b>\$23.000</b>	<b>\$191.880</b>	<b>23.9%</b>	<b>20.4%</b>

CIP: *Capital Improvement Program*

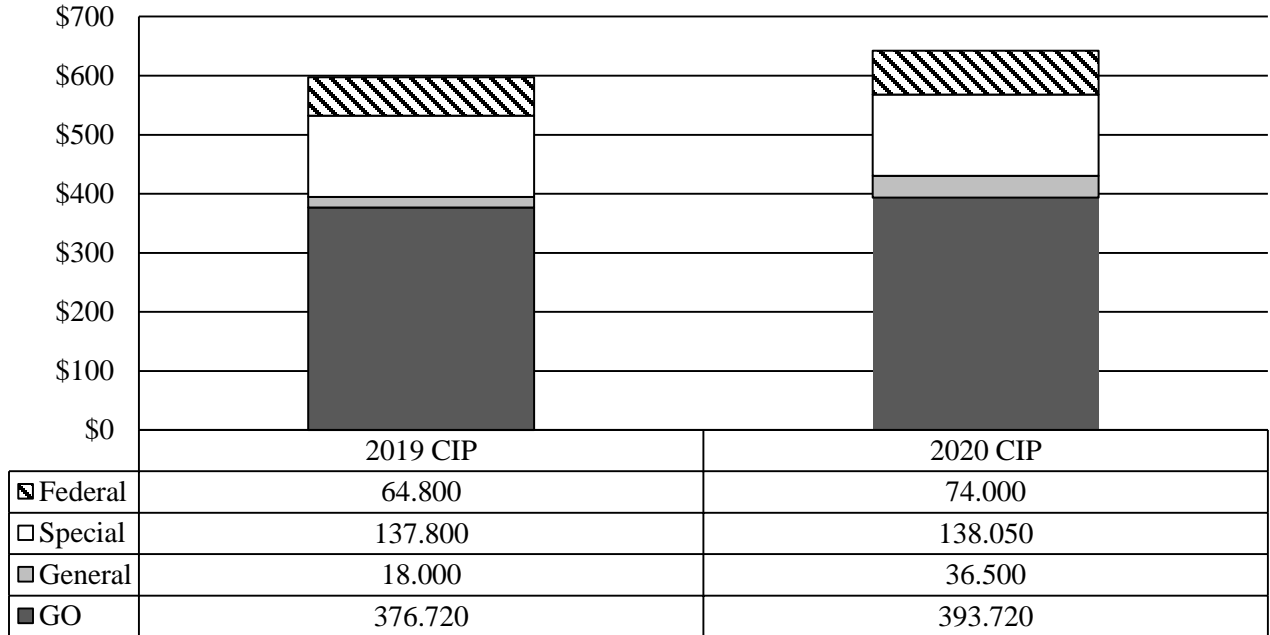
GO: general obligation

Source: Governor’s Fiscal 2021 Capital Budget

The fiscal 2020 appropriation included significant one-time special funds available from the Office of Attorney General’s (OAG) mortgage services settlement with Bank of America, which were distributed across DCHD’s programs as follows: \$12.7 million for Homeownership Programs; \$8.4 million for the Strategic Demolition Fund; and \$900,000 for Special Loan Programs. As of February 2020, DHCD has expended or encumbered \$11.8 million of these funds and plans to fully encumber all remaining funds by the end of fiscal 2020.

The 2020 CIP includes large increases in funding for Rental Housing Programs and the Strategic Demolition Fund compared to the 2019 CIP. A total of \$25 million in general funds in the DPA was restricted for use by these two programs in fiscal 2020, but these funds were not released. Overall, for the four years that the 2020 and 2019 CIPs overlap, DHCD programs are scheduled to receive \$45.0 million more from fiscal 2021 through 2024, as shown in **Exhibit 5**.

**Exhibit 5**  
**Comparison of 2019 and 2020 Capital Improvement Programs**  
**Fiscal 2021-2024**  
**(\$ in Millions)**



CIP: Capital Improvement Program  
 GO: general obligation

Source: Department of Budget and Management

**Community Development Block Grant Program**

The Community Development Block Grant Program (CDBG) provides competitive federally funded grants to local governments in nonentitlement areas of the State for use in revitalizing neighborhoods, expanding affordable housing and economic opportunities, and/or improving community facilities and services. Nonentitlement areas are mainly rural areas of the State. Entitlement areas receive a direct allocation from the U.S. Department of Housing and Urban Development (HUD) and are not eligible for the State program. The entitlement areas account for approximately 70% of HUD’s overall CDBG allocation.

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The fiscal 2021 budget includes \$12.0 million in federal funds for this program, which is an increase of \$3.0 million both compared to fiscal 2020 and to what was planned in the 2019 CIP. Future years are budgeted at \$9.0 million annually. DHCD anticipates additional one-time federal funds, including approval from HUD to reuse \$1.7 million in income received under CDBG’s Neighborhood Stabilization Program; \$500,000 from the Appalachian Regional Commission for capital projects in Allegany, Garrett, and Washington counties; and \$800,000 in anticipated repayments under the program. Repayments are expected to be higher than usual due to a monitoring finding issued to one of the grantees. CDBG awards by county in fiscal 2017 to 2019 are included in **Appendix 1**.

### **Baltimore Regional Neighborhoods Initiative**

The Baltimore Regional Neighborhoods Initiative (BRNI) provides grants to fund revitalization strategies in State-designated Sustainable Community areas in Anne Arundel and Baltimore counties and Baltimore City. Eligible projects include residential and commercial strategic property acquisition, redevelopment, rehabilitation, and new infill development. BRNI was initiated as a pilot program in fiscal 2014 using \$3.0 million in general funds. Statute now mandates \$12.0 million in annual capital funding for BRNI through fiscal 2022. This mandate is met with GO bonds in the fiscal 2021 budget, whereas the program was funded with general funds in fiscal 2020. The CIP includes \$3.0 million in GO bonds annually for the program after the mandate expires. In fiscal 2020, \$175,000 of the \$12.0 million general fund appropriation for BRNI was restricted for a grant to the Baltimore Rock Opera Society; these funds were not released. The organizations that received BRNI awards in fiscal 2017 to 2019 are included in **Appendix 2**.

### **Community Legacy Program**

The Community Legacy Program provides financing to assist with the revitalization of neighborhoods that are at risk of physical, economic, or social deterioration. These neighborhoods are responsible for implementing a revitalization strategy that will reposition the community for new private investment. Funds may be used for capital improvements, such as streetscape and façade improvements, recreational amenities, improvement of community gathering places, and other enhancements to improve the desirability of the community. Awards are made to counties, municipalities, and community development organizations. Projects must be located in designated Sustainable Communities or Maryland Main Street or Maple Street communities.

The fiscal 2021 budget includes \$6 million in GO bond funding, which is consistent with both the prior year appropriation and the planned amount in the 2019 CIP. The allocation of Community Legacy funding by county in fiscal 2017 to 2019 is included in **Appendix 3**.

### **Neighborhood BusinessWorks**

The Neighborhood Business Development Program, which operates as Neighborhood BusinessWorks (NBW), provides grants and loans for community-based economic development

activities in revitalization areas designated by local governments. The program provides gap financing to small businesses that are unable to finance 100% of a project's total costs through a traditional lender. Chapter 482 of 2016 changed some rules for NBW, allowing it to lend in Priority Funding Areas as well as Sustainable Communities; allowing it to offer primary lending, loan guarantees, and credit enhancements; and increasing the maximum loan size to \$5 million, up from \$500,000. NBW grants by county for fiscal 2017 to 2019 are included in **Appendix 4**.

The fiscal 2021 budget provides \$10.7 million comprised of \$8 million in GO bonds, \$2.2 million in special funds, and \$500,000 in general funds. The GO bond and special fund amounts remain the same as the fiscal 2020 appropriation and the amount programmed for fiscal 2021 in the 2019 CIP. The additional \$500,000 in general funds are for a pilot initiative to provide micro-grants of up to \$20,000 to new or expanding businesses in opportunity zones. Additional information on opportunity zone initiatives across all DHCD programs can be found in Issue 1 of this analysis.

Since 2016, NBW has received \$5 million from the Catastrophic Event Account (CEA) and \$2.3 million from the Department of Commerce's (Commerce) Small, Minority, and Women-Owned Businesses Account (SMWOBA) to provide loans to businesses affected by flooding in Ellicott City. As of January 2020, around \$3.4 million from the CEA has been expended, and nearly \$1.6 million from SMWOBA has been encumbered. DHCD has ceased further operations of the Ellicott City programs, and the department is working with the Comptroller's Office to return the remaining balances of \$1.6 million and \$719,000 to the respective funds. DHCD notes that repayments to SMWOBA began in July 2019 and total a little over \$436,000 as of January 2020. However, Commerce advised in February 2020 that no repayments had been received. The reason for this discrepancy is unclear.

## **Seed Community Development Anchor Institution Fund**

Chapter 31 of 2016 created the Seed Community Development Anchor Institution Fund within DHCD and mandated an annual appropriation of \$5 million through fiscal 2022. Chapter 25 of 2019 increased the mandate to \$10 million and made it permanent. The program is intended to provide grants and loans to anchor institutions, such as hospitals and institutions of higher education, for community development projects in blighted areas of the State. The program has never received funding at its mandated level due to various BRFA actions. The program received \$4 million in fiscal 2019 for a project at the University of Maryland, Baltimore Campus.

In fiscal 2020, \$2.5 million of funding in the program was fenced off for a grant to East Baltimore Development Inc., but these funds were not released. **Exhibit 6** shows the projects that received funding from the remaining \$2.5 million in the fiscal 2020 appropriation. DCHD notes that in the application round for fiscal 2020 funding, the department received nine applications for a little over \$13 million. The department also stated that projects funded under other DHCD programs such as Community Legacy, BRNI, and the Strategic Demolition Fund have partnered with eligible anchor institutions, indicating that funding could have been provided through other programs administered by DHCD.

**Exhibit 6**  
**Seed Community Development Anchor Institution Award Recipients**  
**Fiscal 2020**

<u>Recipient</u>	<u>Project</u>	<u>Award Amount</u>
MedStar Harbor Hospital Inc.	Pedestrian bike access	\$500,000
Sinai Hospital of Baltimore Inc.	Center for Hope	750,000
St. Agnes Hospital Foundation Inc.	Gibbons Commons Stage 3	500,000
UM, Baltimore Campus	Community District Hall at UM BioPark	750,000
<b>Total</b>		<b>\$2,500,000</b>

UM: University of Maryland

Source: Department of Housing and Community Development

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The BRFA of 2020 includes a provision to repeal the mandate for the Seed program for fiscal 2021 and all future years. The fiscal 2021 budget includes \$5.0 million in GO bonds for the program, and the CIP programs \$5 million in general funds annually from fiscal 2022 through 2025. **The Department of Legislative Services (DLS) recommends rejecting the BRFA provision to contingently reduce general funds for the Seed program in fiscal 2021 and to eliminate the \$10 million mandate in future years. DLS recommends deleting the \$5 million in GO bond funding in fiscal 2021, as there is limited capacity in the capital budget and competing funding needs. These actions would fund the Seed program with \$5 million in general funds in fiscal 2021 only, while leaving in place the \$10 million mandate for future years.**

### **Strategic Demolition Fund**

The Strategic Demolition Fund has been used to assist in the demolition, land assembly, housing development or redevelopment, and revitalization projects in Sustainable Communities, Base Realignment and Closure Revitalization and Incentive Zones, Transit-oriented Development areas, or in areas recommended by PlanMaryland for revitalization and growth. Since fiscal 2016, the program has been the centerpiece of Project Creating Opportunities for Renewal and Enterprise (C.O.R.E.), a DHCD-led effort to remove blight through demolition or stabilization and encourage redevelopment, reinvestment, and stabilization in Baltimore City.

The 2020 CIP includes \$26.5 million in GO bond funding in fiscal 2021 and \$13.5 million in GO bond funding in each of fiscal 2022 and 2023, which is the final year of programmed funding. DHCD notes that \$23 million of the fiscal 2021 funding is intended for Project C.O.R.E., while the remaining \$3.5 million is for other Strategic Demolition projects statewide. The program was scheduled to receive \$13.5 million in fiscal 2021 according to the 2019 CIP. In fiscal 2020, \$13 million was

restricted in the DPA for use by the Strategic Demolition program but these funds were not released, resulting in an appropriation of \$11.25 million. The fiscal 2020 appropriation included \$8.4 million in special funds from the OAG mortgage settlement. **DLS recommends reducing funding for the Strategic Demolition Fund by \$13 million in GO bonds. This would result in funding at the level planned in the 2019 CIP and an increase of \$2.25 million over the fiscal 2020 appropriation.**

## **National Capital Strategic Economic Development Program**

Chapter 523 of 2017 established the National Capital Strategic Economic Development Fund at DHCD to assist government agencies and nonprofit community development organizations in predevelopment activities for commercial and residential development including site acquisition, land assembly, architecture and engineering, and site development for revitalization in Sustainable Communities. Statute requires that 85% of any funding allocated must be for projects in areas of the State located between Interstate 495 and the District of Columbia, in Montgomery and Prince George’s counties, and the remaining 15% for projects throughout the State. The Governor did not provide funding in the fiscal 2019 or 2020 budgets, but the legislature added GO bond funding for the program of \$1 million in fiscal 2019 and \$4 million in fiscal 2020. The projects that received funding in fiscal 2020 are included in **Appendix 5**.

Chapter 732 of 2019 required the Governor to provide \$200,000 in general funds for operating expenses and \$7.0 million in GO bond or general fund pay-as-you-go funding for the program from fiscal 2021 through 2025. The BRFA of 2020 includes a provision that would repeal both the program and the mandated funding.

## **Homeownership Programs**

Homeownership Programs provide mortgage loans with minimum down payments to low- and moderate-income families. Programs include DSELP, which provides funds for down payment and settlement expenses, and the Maryland Home Financing Program, which makes direct loans to households to purchase homes. The fiscal 2021 budget includes \$19 million in funding for this program, comprised of \$16.0 million in GO bonds and \$3 million in special funds. Overall, this is a \$4.0 million decrease compared to the fiscal 2020 appropriation, but GO bonds increase \$8.2 million, while special funds decrease \$12.2 million. The large amount of special funds in fiscal 2020 was due to the use of \$12.7 million from the OAG mortgage settlement, which offset some of the planned GO funding for that year.

The \$19 million in fiscal 2021 is intended to be distributed as follows: \$12.0 million for DSELP; \$6.0 million for the SmartBuy program; and \$1.0 million for HomeAbility, which makes direct loans for down payment and closing cost assistance for households with disabled persons with income not exceeding 80% of the area median income. In fiscal 2019, DCHD funded nearly 2,500 loans through their Homeownership Programs.

## **Housing and Building Energy Programs**

Housing and Building Energy Programs contain several energy efficiency programs, including programs funded by EmPOWER and the Energy Efficiency Block Grant Program. The programs provide loans and grants for energy efficiency improvements for single family and rental housing properties, including the renovation of existing facilities, the construction of new facilities, or the installation of energy-efficient equipment or materials. The fiscal 2021 budget includes \$1.0 million in GO bonds, \$8.6 million in special funds, and \$1.0 million in federal funds, which is a combined increase of \$550,000 in special and federal funds over the prior year and over last year's CIP.

The Energy Efficiency Homes Construction Loan Program was created in 2014 and was initially funded through an allocation of Regional Greenhouse Gas Initiative Strategic Energy Investment funds but has been expanded using GO bonds. This program includes the Net Zero subprogram, which funds new construction or retrofit projects with the goal of having homes that produce as much energy as they use in a year. The Net Zero subprogram has funded three projects since fiscal 2017: \$1.4 million for the Help Perry Point project to serve at-risk or homeless veterans; \$2.6 million for multiunit apartments in Talbot County; and \$143,000 for a single family project in Forest Park in Montgomery County. DHCD notes two Net Zero projects in the pipeline for up to \$2 million each – Hamilton Tiny Home Village and Tivoly Triangle – both in Baltimore City. DHCD's other energy programs emphasize assistance for low- and moderate-income renters and homeowners, although this is not a focus of the Net Zero program, with the notable exception of the Help Perry Point project. The program also does not contribute significantly to statewide energy efficiency overall. **DLS recommends deleting the \$1.0 million in GO bond funding for the Energy Efficiency Homes Construction Loan Program due to the limited capacity in the capital budget and competing, higher priority funding needs.**

The special funds are derived through an allocation of funds from the Maryland Public Service Commission that included \$20.0 million for DHCD's Multifamily Energy Efficiency and Housing Affordability (MEEHA) program to expand and promote energy efficiency and affordability in the State's multifamily rental housing developments. MEEHA provides owners of affordable multifamily properties with grants and loans to purchase and install energy efficiency improvements.

## **Local Government Infrastructure Fund**

Executive Order 01.01.2017.04 established the Office of Rural Broadband to support the State's efforts to provide affordable, high-speed internet service to every Maryland home. While Maryland is the seventh most connected state and has 97% broadband coverage according to Broadband Now, there are pockets across the State that lack access. DHCD identifies 11 counties with large unserved areas, and estimates that 30.7% of the population in these counties is unserved. The fiscal 2021 budget includes \$9.18 million for the Local Government Infrastructure Fund, and the 2020 CIP includes a total of \$36.7 million in funding. Fiscal 2024 is programmed to be the final year of funding.

Rural Broadband initiatives also receive funding in the operating budget. The operating funding provides support for counties to conduct broadband feasibility studies and to apply for federal funding. Operating funds also include grants to counties for pilot projects to incentivize existing internet service

providers to extend services into unserved locations. Feasibility studies have been funded for six counties, and DHCD will not fund additional studies in fiscal 2021. DHCD assisted Talbot County in completing an application for federal funding, but the application was not successful. DHCD also assisted a joint application by Cecil and Harford counties, but the counties encountered technical difficulties with the federal application system and were unable to submit. Both Talbot and Harford counties intend to apply again for the next round of federal funding. DHCD notes that Maryland counties face difficulties in applying for federal funds due to scoring criteria that favor more rural states, in part due to the more contiguous unserved areas in such states.

DHCD estimates that a total of \$100 million of funding from all sources would be required to meet Maryland’s last mile infrastructure needs for high-speed internet. Based on the programmed funding in the CIP combined with the fiscal 2020 appropriation, the State share would total \$46.4 million. Other funding would come from the federal level, the service provider, and/or the local jurisdiction. The State grant program will offer funding of \$1 million to \$3 million per project to local jurisdictions with a required 100% match. As shown in **Exhibit 7**, DHCD has identified an \$18.7 million pipeline of projects. **DLS notes that several projects in the pipeline appear to be in the feasibility stage and may potentially not require funding in fiscal 2021. The department should comment on the anticipated timeline for when these projects are expected to begin drawing funding from the Local Government Infrastructure Fund.**

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**Exhibit 7**  
**Estimated Need for Rural Broadband Funding**  
**(\$ in Millions)**

<u>County</u>	<u>Estimated Need</u>	<u>Status</u>
Queen Anne’s	\$3.3	Several Internet Service Providers (ISP) have requested information on funding.
Kent	1.2	The county has built a fiber ring covering most of the county and is partnering with an ISP to provide service to unserved areas from this ring.
Baltimore County	4.4	The county has identified an ISP willing to build a wireless network to unserved areas.
Dorchester	1.0	The county has identified an ISP willing to build a network to unserved areas.
Charles	5.5	The county is in the process of completing a feasibility study.
Garrett	3.3	The county is in the process of completing a feasibility study.
<b>Total</b>	<b>\$18.7</b>	

Source: Department of Housing and Community Development

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## **Partnership Rental Housing**

The Partnership Rental Housing Program provides deferred payment loans or grants to local governments or housing authorities to construct or rehabilitate rental housing for residents earning less than 50% of the statewide median income. Repayment is not required if the borrower continues to own and lease the housing to eligible households. In fiscal 2007, the program was expanded to enable private and nonprofit borrowers to access financing for the creation of housing for persons with disabilities. The fiscal 2021 budget includes \$6 million in GO bonds, level with the fiscal 2020 appropriation. Fiscal 2019 funding was used for three projects in Baltimore City, and Montgomery and Wicomico counties that created 70 units of affordable housing. DHCD notes that there are six projects totaling \$14 million in requested funding with demand driven by the federal Rental Assistance Demonstration program, which allows for the conversion of public housing to long-term Section 8 rental assistance projects.

## **Rental Housing Programs**

Rental Housing Programs, including Rental Housing Works, are used to rehabilitate and create new affordable housing for low- to moderate-income individuals, families, and elderly residents or special needs populations. Low-interest loans or deferred-payment loans are provided to housing developers for the financing of affordable housing developments. The fiscal 2021 capital budget provides a total of \$61.5 million for DHCD's Rental Housing Programs comprised of \$25 million in GO bond funds for Rental Housing Works, \$12 million in general funds, \$16.5 million in special funds, and \$8 million in federal funds. This is an increase of \$25.5 million over the fiscal 2020 appropriation and \$15.5 million over the amount programmed in the 2019 CIP. Federal funds increase \$3.5 million due to additional anticipated funding for the Housing Trust Fund and the Multifamily HOME Investment Partnership program, which provides primarily zero-interest loans for construction, acquisition, and rehabilitation of rental, owner-occupied, or special needs housing. Usage of the programs by jurisdiction in fiscal 2017 through 2019 is included in **Appendix 6**.

In fiscal 2020, \$12 million was restricted in the DPA for use by DHCD's Rental Housing Programs, but these funds were not released. **DLS recommends reducing funding for the Rental Housing Programs by \$12 million in GO bonds. This would result in funding at the level planned in the 2019 CIP other than the anticipated increase in federal funds.**

## **Shelter and Transitional Housing Facilities Grant Program**

The Shelter and Transitional Housing Facilities Grant Program provides grants to local governments and nonprofit groups to develop emergency shelters and transitional housing for homeless individuals and families. The fiscal 2021 budget includes \$3 million in GO bonds for this program, which is consistent with the amount planned in the CIP but a \$1 million decrease compared to the fiscal 2020 appropriation. The additional \$1 million in fiscal 2020 funding was intended to be used for recovery residences, which provide alcohol- and drug-free housing to people with substance or addiction disorders. DHCD received four applications for that funding in January 2020, but the quality

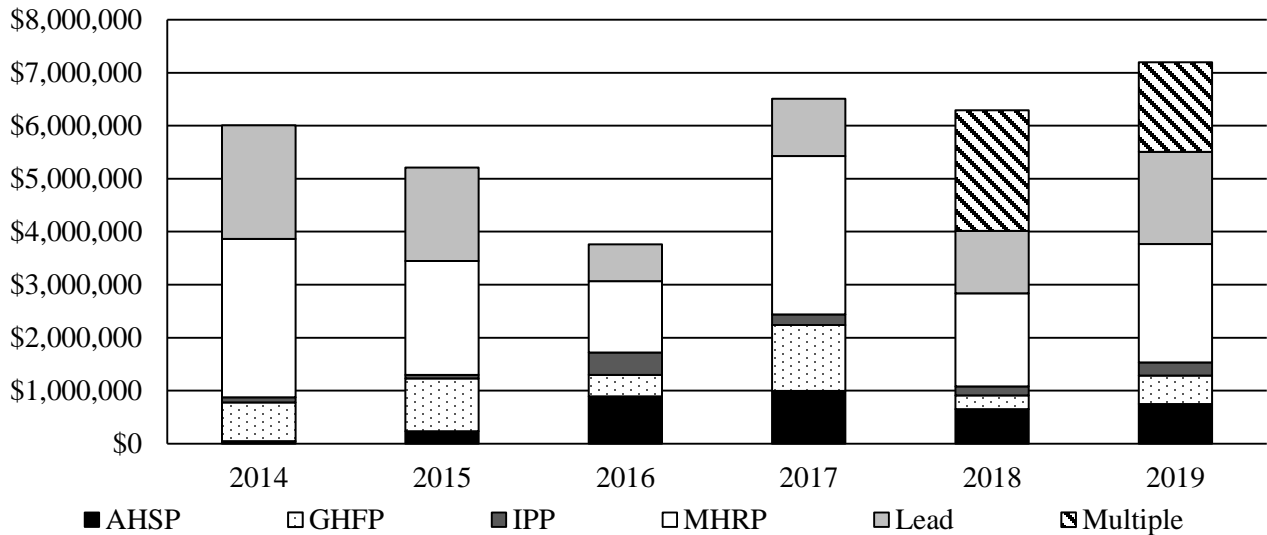
of the applications was below what DHCD had hoped, and the department plans to work with the applicants to align their proposals with the intent of the funding. In fiscal 2021, DHCD hopes to expand its programs to address shelter needs related to the opioid epidemic within the existing \$3 million funding level.

## **Special Loan Programs**

Special Loan Programs provide loans or grants for the abatement of lead hazards; rehabilitation or installation of indoor plumbing; rehabilitation to create accessory-, shared-, and sheltered-housing facilities; rehabilitation to eliminate health, safety, and maintenance deficiencies in residential properties; and acquisition, construction, and modifications of group homes for low-income, elderly, disabled, or others with special housing needs. The fiscal 2021 budget includes a total of \$10.4 million for these programs comprised of \$4 million in GO bonds, \$4.4 million in special funds, and \$2 million in federal funds. This is consistent with the level programmed in the 2019 CIP but is a decrease of \$900,000 in special funds compared to the fiscal 2020 appropriation, which represented one-time funding from the OAG mortgage settlement. DHCD plans to set aside \$500,000 in fiscal 2021 for a pilot program called the Emergency Assistance Repair Loan (EARL) program. This program would provide immediate repairs to address health and safety issues, such as roof, mold or mildew, and septic issues.

As shown in **Exhibit 8**, in fiscal 2018, the department began concentrating its efforts in this program by providing recipients funding from multiple subprograms. In fiscal 2019, DHCD provided funds for the rehabilitation of 159 housing units, the production of 6 beds of special needs housing, and the reduction of lead-paint based hazards from 47 housing units through the Special Loan Programs.

**Exhibit 8**  
**Special Loan Programs Loans and Grants by Subprogram**  
**Fiscal 2014-2019**



AHSP: Accessible Homes for Senior Homeowners Program  
 GHFP: Group Home Financing Program  
 IPP: Indoor Plumbing Program  
 MHRP: Maryland Housing Rehabilitation Program

Note: Lead programs include the Lead Hazard Reduction Grant and Loan Program as well as the Healthy Homes for Healthy Kids program administered in partnership with the Maryland Department of Health.

Source: Department of Housing and Community Development

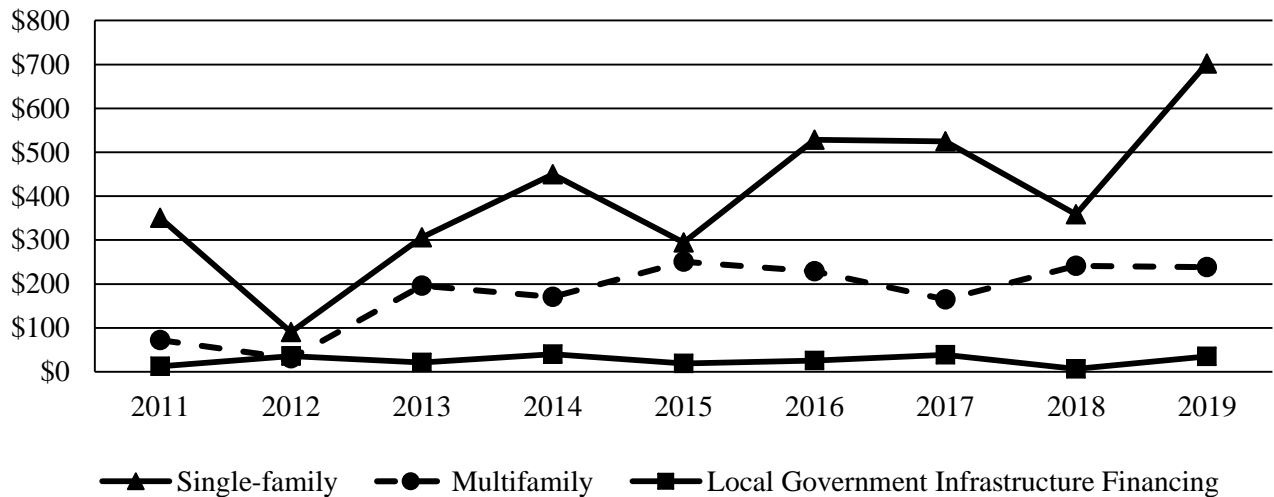
## ***Community Development Administration***

In addition to DHCD’s array of budgeted programs, the department also includes CDA, which issues nontax-supported debt with the goal of increasing the supply of affordable housing in the State. CDA funding is often used in tandem with other funds from the DHCD budget to achieve the goals of various department programs. CDA generates its funding through the sale of tax-exempt revenue bonds, taxable bonds, and mortgage-backed securities. The projects proposed for CDA assistance must match local priorities and complement and supplement local community development programs. Tax-exempt bonds are subject to a federal per capita cap with unused capacity carrying forward into subsequent years.

As shown in **Exhibit 9**, single-family issuances are volatile due to their dependence on private capital markets and CDA’s ability to achieve competitive interest rates in order to pass them through to Maryland home buyers. When bond rates were too high, CDA developed expertise to access for-sale mortgage-backed security markets, generating proceeds to continue funding loans through MMP. The

significant difference between these two funding methods is that the securitization of mortgages means that both the debt and the asset (the mortgage) are not held by CDA, while when CDA issues bonds, it holds either the mortgages or a mortgage security. In calendar 2019, total issuances increased by 61% to \$976 million with the increase driven by a 96% increase in single-family issuances. In September 2019, CDA issued a \$350 million bond, its largest ever, to finance single family loans.

**Exhibit 9**  
**Community Development Authority Debt Issuances**  
**Calendar 2011-2019**  
**(\$ in Millions)**



Source: Department of Housing and Community Development

In addition to issuing debt, CDA also raises capital with the federal Low-Income Housing Tax Credit (LIHTC) program. Two types of LIHTCs are available depending on the type of rental housing construction. The 9% credit is generally used for new construction. Each year, for 10 years, a tax credit equal to roughly 9% of a project’s cost of construction may be claimed. Historically, the applicable credit rate has not actually been 9%; instead, the specific rate that a project would receive was set so that the present value of the 10-year stream of credits equaled 70% of a project’s cost. The 4% credit is typically claimed for rehabilitated housing and new construction that is financed with tax-exempt bonds. Like the 9% credit, the 4% credit is claimed annually over a 10-year credit period. The actual credit rate fluctuates around 4% but is set by the U.S. Treasury to deliver a subsidy equal to 30% of a project’s cost. The 9% LIHTCs are allocated to states based on population; 4% LIHTCs do not have allocation limits. DHCD is authorized to issue approximately \$15.0 million in 9% tax credits annually and an unlimited amount of 4% tax credits generated on projects financed with tax-exempt housing bonds. The tax credits are allocated to developers and sold to investors seeking to reduce tax liability as well as generate other tax benefits.

As shown in **Exhibit 10**, DHCD raised \$386.4 million in equity via tax credits in fiscal 2019, a 62% increase compared to fiscal 2018. Typically, the amount of equity raised is roughly 10 times the size of the tax credit allocation.

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**Exhibit 10**  
**Low-Income Housing Tax Credits**  
**Fiscal 2015-2019**  
**(\$ in Millions)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
9% Tax Credit Allocation	\$13.2	\$14.4	\$15.0	\$14.4	\$15.6
9% Tax Credit Equity	130.1	151.1	166.0	141.8	151.1
4% Tax Credit Allocation	\$11.1	\$17.4	\$19.9	\$10.3	\$24.6
4% Tax Credit Equity	109.7	174.2	206.8	96.6	235.3

Source: Department of Housing and Community Development

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## ***Issues***

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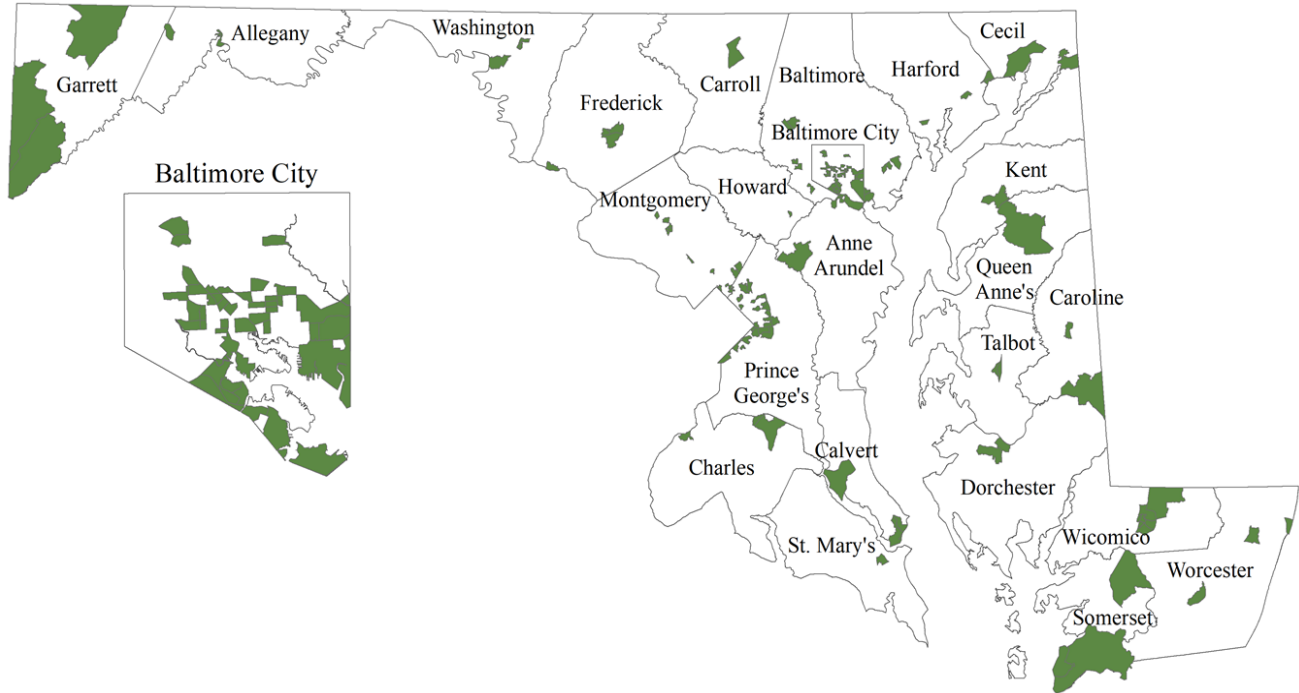
### **1. Opportunity Zones**

The federal Tax Cut and Jobs Act created the Opportunity Zones Program to encourage investment in economically distressed communities. The program is designed to encourage private-sector investment and spur economic development and job creation in designated economically distressed communities called opportunity zones.

#### **Background**

Maryland, like other states, designated its own opportunity zones by choosing 25% of the census tracts that are eligible, low-income communities under the New Market Tax Credit Program, subject to the approval of the U.S. Secretary of the Treasury. A census tract is eligible if (1) it has a poverty rate of at least 20%; (2) it is rural and has a median family income below 80% of the statewide median family income; or (3) it is metropolitan, and the median family income does not exceed the larger of 80% of the statewide or metropolitan area median family income. Maryland has designated opportunity zones in every county in the State, with a concentration of the opportunity zones in Baltimore City and Prince George’s County. **Exhibit 11** provides a map of all of the State’s designated opportunity zones.

## Exhibit 11 Opportunity Zones



Source: Department of Legislative Services

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Opportunity zones are intended to encourage economic development by providing tax benefits to investors. The program allows for realized capital gains – such as the profit from selling stock – to be invested in a qualified Opportunity Zone Fund, which in turn invests in an opportunity zone. To qualify, 90% of the fund’s assets must be in the opportunity zone. The capital gains tax on the capital gain can then be deferred until the end of calendar 2026. If the investment is held for 7 years, 15% of the capital gain can be excluded from tax; if the investment is held for 5 years, 10% can be excluded. Due to the 2026 deferral date, investments would need to be made in calendar 2019 and 2021, respectively, to receive these benefits. The appreciation of the gain can be excluded if the investment is held for 10 years.

### **DHCD Efforts**

While the Opportunity Zones Program is a federal program, DHCD focuses some of its State-funded economic development and affordable housing program resources in opportunity zones to attract a larger share of the private capital expected to be invested in opportunity zone funds nationwide and to incentivize further private-sector investment within the designated opportunity zones. DHCD believes that immediate State participation in the program is necessary to accrue the most

possible benefits, especially since the Opportunity Zones Program is structured such that incremental benefits decrease over time. As shown in **Exhibit 12**, DHCD intends to dedicate \$22.5 million of funding to opportunity zone initiatives across the Neighborhood BusinessWorks, Strategic Demolition, and Rental Housing Works programs. This accounts for nearly 12% of DHCD’s fiscal 2021 overall capital budget.

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**Exhibit 12**  
**DHCD Program Funding for Opportunity Zones**  
**Fiscal 2021**  
**(\$ in Millions)**

<u>Program</u>	<u>Opportunity Zone Funding</u>	<u>Total Funding</u>	<u>Percent</u>
Neighborhood BusinessWorks	\$5.5	\$10.7	51%
Strategic Demolition Fund	8.0	26.5	30%
Rental Housing Works	9.0	37.0	24%
<b>Total</b>	<b>\$22.5</b>	<b>\$74.2</b>	<b>30%</b>
<b>All DHCD Capital Funding</b>	<b>\$22.5</b>	<b>\$191.9</b>	<b>11.7%</b>

DHCD: Department of Housing and Community Development

Source: Department of Housing and Community Development

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## ***PAYGO Recommended Actions***

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1. Strike the following language from the general fund appropriation:

~~Further provided that \$5,000,000 of this appropriation shall be reduced contingent upon the enactment of legislation altering the mandate for the Seed Community Development Anchor Institution Fund~~

**Explanation:** This action strikes the contingent reduction of \$5 million in general funds for the Seed Community Development Anchor Institution Fund.



***GO Bond Recommended Actions***

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1. Approve funding for the Baltimore Regional Neighborhoods Initiative.
2. Approve funding for the Community Legacy Program.
3. Approve funding for the Neighborhood Business Development Program.
4. Delete funding for the Seed Community Development Anchor Institution Fund.

SA24D	Seed Community Development Anchor Institution Fund .....	\$ 0
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<b><u>Allowance</u></b>	<b><u>Change</u></b>	<b><u>Authorization</u></b>
5,000,000	-5,000,000	0

**Explanation:** This action deletes general obligation bond funding for the Seed Community Development Anchor Institution Fund. A separate action in the Budget Reconciliation and Financing Act of 2020 would provide for \$5 million in general funds for the program.

5. Reduce funding for the Strategic Demolition Fund.

SA24E	Strategic Demolition Fund.....	\$ 13,500,000
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<b><u>Allowance</u></b>	<b><u>Change</u></b>	<b><u>Authorization</u></b>
26,500,000	-13,000,000	13,500,000

**Explanation:** This action reduces general obligation bond funding for the Strategic Demolition Fund, which would level fund the program to the amount programmed for fiscal 2021 in the 2019 Capital Improvement Program.

6. Approve funding for Homeownership Programs.
7. Delete funding for the Net Zero Program.

SA25B	Housing and Building Energy Programs .....	\$ 0
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<b><u>Allowance</u></b>	<b><u>Change</u></b>	<b><u>Authorization</u></b>
1,000,000	-1,000,000	0

**Explanation:** This action deletes general obligation bond funding for the Net Zero Program. The Department of Housing and Community Development should focus its energy efficiency programming efforts on providing grants and loans to improve the efficiency of affordable rental housing and properties occupied by low- and moderate-income families.

*SA0 – Department of Housing and Community Development – Capital*

- 8. Approve funding for the Local Government Infrastructure Fund.
- 9. Approve funding for the Partnership Rental Housing Program.
- 10. Reduce funding for Rental Housing Programs.

SA25E	Rental Housing Program.....	\$ 13,000,000
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<u>Allowance</u>	<u>Change</u>	<u>Authorization</u>
25,000,000	-12,000,000	13,000,000

**Explanation:** This action reduces general obligation bond funding for Rental Housing Programs. Excluding federal funds, this action would level fund the program to the amount programmed for fiscal 2021 in the 2019 Capital Improvement Program.

- 11. Approve funding for the Shelter and Transitional Facilities Grant Program.
- 12. Approve funding for Special Loan Programs.

<b>Total General Obligation Bonds Reductions</b>	<b>\$31,000,000</b>
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**Budget Reconciliation and Financing Act Recommended Actions**

1. Reject the contingent reduction of \$5.0 million in general funds in fiscal 2021 as well as the provision to repeal the \$10.0 million mandate for the Seed Community Development Anchor Institution Fund.

**Appendix 1**  
**Community Development Block Grant by County**  
**Fiscal 2017-2019**

<u>County</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Total</u>
Allegany	\$724,470	\$955,000	\$880,000	\$2,559,470
Calvert	250,000	0	0	250,000
Caroline	40,000	100,000	1,036,000	1,176,000
Carroll	178,560	1,231,392	1,140,000	2,549,952
Cecil	0	935,000	2,114,579	3,049,579
Charles	800,000	309,000	0	1,109,000
Dorchester	107,760	974,953	0	1,082,713
Frederick	400,000	713,000	0	1,113,000
Garrett	215,000	1,704,203	1,650,000	3,569,203
Harford	293,839	0	450,000	743,839
Kent	0	0	908,500	908,500
Somerset	1,175,000	280,000	335,000	1,790,000
St. Mary's	300,000	330,473	0	630,473
Talbot	1,506,577	74,000	1,454,000	3,034,577
Washington	0	0	51,455	51,455
Wicomico	300,000	445,020	680,000	1,425,020
Worcester	0	300,000	276,128	576,128
<b>Total</b>	<b>\$6,291,206</b>	<b>\$8,352,041</b>	<b>\$10,975,662</b>	<b>\$25,618,909</b>

Source: Department of Housing and Community Development

**Appendix 2**  
**Baltimore Regional Neighborhoods Initiative Awards**  
**Fiscal 2017-2019**

<u>County</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Total</u>
<b>Anne Arundel</b>				
Greater Baybrook Alliance	\$0	\$0	\$250,000	\$250,000
Strong City Baltimore	0	475,000	0	475,000
<b>Baltimore City</b>				
Belair-Edison Neighborhoods, Inc.	\$150,000	\$385,000	\$300,000	\$835,000
Central Baltimore Partnership, Inc.	461,199	1,380,000	925,000	2,766,199
City Life Community Builders	170,000	120,000	720,000	1,010,000
Comprehensive Housing Assistance, Inc.	0	0	250,000	250,000
Druid Heights Community Development Corporation	0	540,000	750,000	1,290,000
Greater Baybrook Alliance	0	0	350,000	350,000
Dundalk Renaissance Corporation, Inc.	250,000	0	0	250,000
East Baltimore Development Inc.	175,000	800,000	0	975,000
Healthy Neighborhoods, Inc.	0	750,000	450,000	1,200,000
Neighborhood Housing Services of Baltimore, Inc.	0	0	250,000	250,000
Parks & People Foundation, Inc.	0	0	100,000	100,000
ReBuild Metro Inc	0	0	700,000	700,000
Southeast Community Development Corporation	430,000	715,000	475,000	1,620,000
Southwest Partnership	350,000	275,000	420,000	1,045,000
Strong City Baltimore	625,000	900,000	250,000	1,775,000
TRF Development Partners	250,000	950,000	0	1,200,000
Upton Planning Committee, Inc.	0	0	200,000	200,000
WBC Community Development Corporation	0	0	1,000,000	1,000,000
YMCA of Central Maryland	0	0	150,000	150,000
<b>Baltimore County</b>				
Diversified Housing Development Inc	\$0	\$60,000	\$0	\$60,000
Dundalk Renaissance Corporation, Inc.	0	650,000	460,000	1,110,000
<b>Total</b>	<b>\$2,861,199</b>	<b>\$8,000,000</b>	<b>\$8,000,000</b>	<b>\$18,861,199</b>

Source: Department of Housing and Community Development

**Appendix 3**  
**Community Legacy Program Awards by County**  
**Fiscal 2017-2019**

<u>County</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Total</u>
Allegany	\$275,000	\$250,000	\$280,000	\$805,000
Anne Arundel	325,000	0	300,000	625,000
Baltimore City	1,074,540	3,014,500	1,970,000	6,059,040
Baltimore County	525,000	0	350,000	875,000
Calvert	100,000	0	50,000	150,000
Caroline	0	0	120,000	120,000
Carroll	0	150,000	175,000	325,000
Cecil	175,000	200,000	150,000	525,000
Dorchester	50,000	57,500	250,000	357,500
Frederick	290,000	330,000	490,000	1,110,000
Garrett	50,000	103,000	150,000	303,000
Harford	345,000	100,000	390,000	835,000
Howard	100,000	70,000	0	170,000
Kent	85,000	40,000	200,000	325,000
Montgomery	225,000	50,000	200,000	475,000
Prince George's	1,015,000	1,150,000	1,550,000	3,715,000
Queen Anne's	50,000	60,000	30,000	140,000
Somerset	0	25,000	185,000	210,000
St. Mary's	0	100,000	150,000	250,000
Talbot	50,000	0	30,000	80,000
Washington	375,000	50,000	495,000	920,000
Wicomico	50,000	100,000	445,000	595,000
Worcester	260,000	350,000	360,000	970,000
<b>Total</b>	<b>\$5,419,540</b>	<b>\$6,200,000</b>	<b>\$6,200,000</b>	<b>\$17,819,540</b>

Source: Department of Housing and Community Development

**Appendix 4**  
**Neighborhood Business Works Awards by County**  
**Fiscal 2017-2019**

<u>County</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Total</u>
Allegany County	\$1,100,000	\$0	\$0	\$1,100,000
Baltimore City	3,236,069	5,315,615	2,120,000	10,671,684
Cecil County	207,817	475,000	536,800	1,219,617
Howard County	2,585,000	1,725,000	1,593,911	5,903,911
Prince George’s County	1,520,000	0	1,550,000	3,070,000
Queen Anne’s County	60,000	0	198,661	258,661
Washington County	0	338,583	660,000	998,583
Worcester County	60,000	0	0	60,000
<b>Total</b>	<b>\$8,768,886</b>	<b>\$7,854,198</b>	<b>\$6,659,372</b>	<b>\$23,282,455</b>

Source: Department of Housing and Community Development

**Appendix 5**  
**National Capital Strategic Economic Development Program Awards**  
**Fiscal 2020**

<u>County/ Leg. District</u>	<u>Organization</u>	<u>Project</u>	<u>Project Description</u>	<u>Award Amount</u>
Montgomery/20	City of Takoma Park	New Hampshire Avenue Façade Program	Implement façade designs to help businesses increase visibility and attract customers.	\$100,000
Prince George's/21	College Park City – University Partnership	College Park Partnership Homeownership Program	Continue ongoing, successful homeownership program that will strengthen neighborhoods, reduce commutes, and improve the economy.	150,000
	City of College Park	Business Assistance and Façade Improvement Program	Provide local businesses and commercial property owners with grants for business improvements.	75,000
Prince George's/22	Town of Edmonston	Edmonston Façade Improvement Program	Provide façade improvement grants to town business owners.	50,000
		Edmonston Beautiful	Continue ongoing, successful program to assist senior citizens, low-income, or disabled residents with grants for exterior beautification.	50,000
	Housing Initiative Partnership, Inc.	Kentland/Palmer Park Acquisition Rehab Program	Acquire and renovate vacant and distressed houses into affordable, healthy, safe, and energy efficient homes in Kentland/Palmer Park neighborhood.	150,000
		HIP Homes Purple Line Acquisition Rehab Program	Acquire and renovate vacant and distressed houses into affordable, healthy, safe, and energy efficient homes along Purple Line, targeted at Riverdale Park, Riggs Road and Beacon Heights stations.	175,000
City of Hyattsville		Hyattsville Armory Apartments	Redevelop long-term vacant properties at 5320-5334 Baltimore Avenue for redevelopment as mixed-use retail and residential development.	250,000
		Commercial Façade Improvement Program	Continue city's commercial façade improvement matching program to businesses.	50,000



*SA0 – Department of Housing and Community Development – Capital*

<u>County/ Leg. District</u>	<u>Organization</u>	<u>Project</u>	<u>Project Description</u>	<u>Award Amount</u>
Prince George's /24	Housing Initiative Partnership, Inc.	Fairmount Heights Zero Energy Ready Housing Development	Construct zero-energy affordable, single-family homes.	300,000
	Prince George's County Department of Housing and Community Development	Home Ownership and Improvement Program	Pilot project program to preserve housing by providing funding for home ownership and home improvements.	750,000
	Redevelopment Authority of Prince George's County	Glenarden Apartments Redevelopment Rubble Removal Project	Remove demolition debris at the Glenarden Apartments Projects – a 430-unit mixed-use redevelopment.	1,000,000
	City of Seat Pleasant	Demolition Program	Demolition and site development of vacant and blighted house.	25,000
Prince George's County/25	Prince George's County Department of Housing and Community Development	Suitland Façade Rehabilitation Program	Implement a residential façade improvement program for single-family homes within Suitland/Naylor Road Sustainable Community.	150,000
Prince George's County/26	Housing Options & Planning Enterprises, Inc.	Forest Heights Neighborhood Home Improvement Program	Capitalize loan fund to finance home improvement program for low/moderate income seniors.	125,000
Prince George's County/47A	City of Mount Rainier	Revitalization of Route 1 Memorial Park	Reinvent and revitalize public park and streetscape in city's right of way on the 3300 block of Rhode Island Avenue.	200,000
	Town of Bladensburg	Bladensburg Pedestrian Lighting Improvements	Provide lighting along sidewalks to improve pedestrian safety.	150,000
	Cal Ripken Sr. Foundation	PALS Park Project II	Construct Cal Ripken, Sr. Foundation Park Project in conjunction with Prince George's County and local PALS Center.	250,000
<b>Total</b>				<b>\$4,000,000</b>

PALS: Police Athletic League

Source: Board of Public Works

**Appendix 6**  
**Rental Housing Programs Usage by County**  
**Fiscal 2017-2019**

<u>County</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Total</u>
Anne Arundel	\$1,241,043	\$7,480,000	\$3,140,000	\$11,861,043
Baltimore	9,213,721	250,000	5,000,000	14,463,721
Baltimore City	10,260,220	5,617,919	12,583,874	28,462,013
Calvert	2,500,000	0	0	2,500,000
Cecil	5,000,000	2,450,000	2,500,000	9,950,000
Frederick	0	0	4,581,680	4,581,680
Harford	2,500,000	1,325,000	0	3,825,000
Howard	0	1,900,000	499,015	2,399,015
Kent	2,100,000	0	0	2,100,000
Montgomery	4,850,000	3,804,838	10,278,028	18,932,866
Prince George's	2,786,002	2,500,000	1,723,084	7,009,086
Queen Anne's	0	0	1,725,000	1,725,000
St. Mary's	2,000,000	2,000,000	0	4,000,000
Washington	1,000,000	1,500,000	0	2,500,000
Wicomico	2,000,000	2,604,240	340,000	4,944,240
<b>Total</b>	<b>\$45,450,986</b>	<b>\$31,431,997</b>	<b>\$42,370,681</b>	<b>\$119,253,664</b>

Source: Department of Housing and Community Development