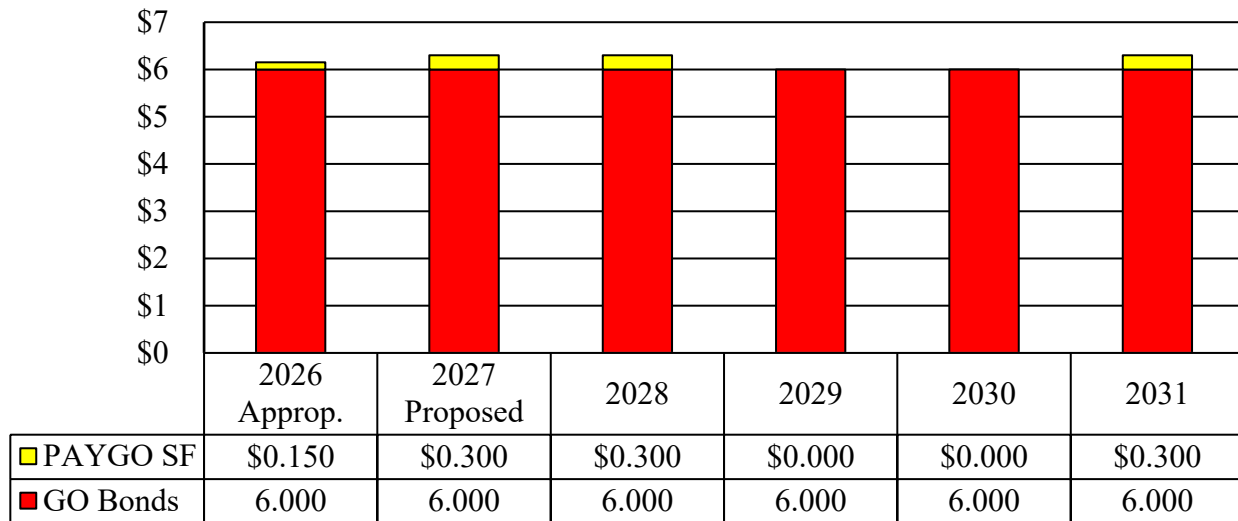
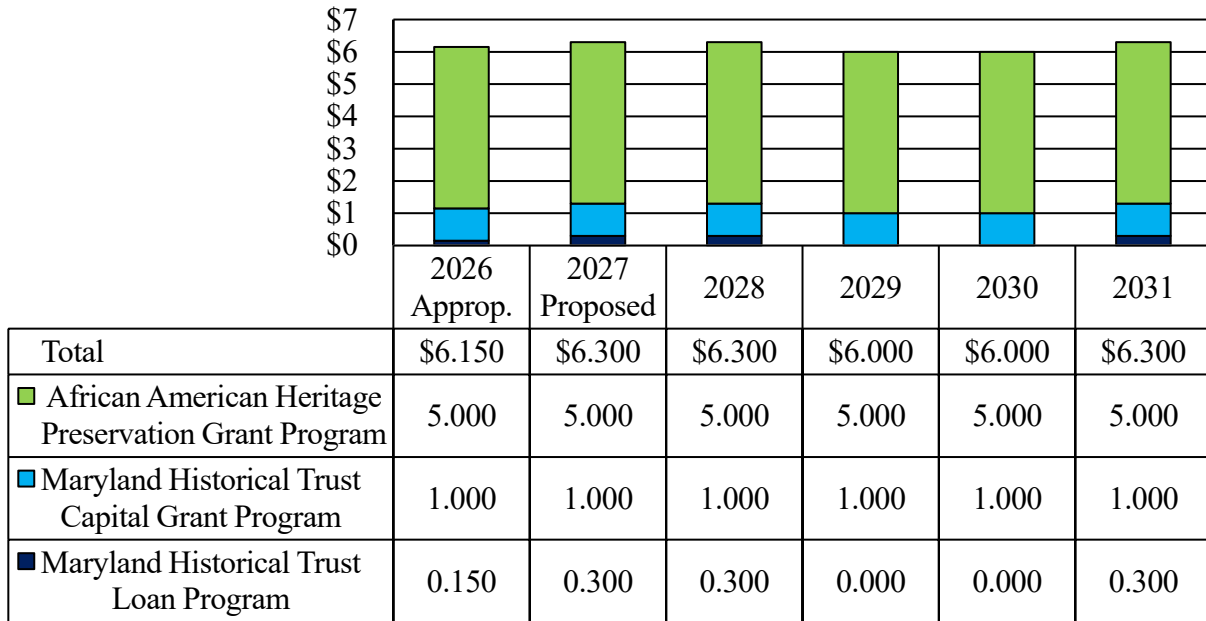


**D40\***

**Maryland Department of Planning – Capital**

***Capital Budget Summary***

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



GO: general obligation

PAYGO: pay-as-you-go

SF: special funds

Source: Department of Budget and Management

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## ***Key Observations***

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- ***Demand Continues for Grant Programs:*** The Maryland Department of Planning (MDP) oversees two grant programs for historic preservation, both of which continue to receive more applications for funding than the department can grant. The Maryland Historical Trust (MHT) Capital Grant Program funded 16% of the applications that it received in fiscal 2025, and the African American Heritage Preservation (AAHP) Grant Program funded 37% of the applications that it received in fiscal 2026.
- ***Planned Funding for Loans Increases:*** The 2026 *Capital Improvement Program* (CIP) plans \$300,000 in special funds annually for the MHT Loan Program in fiscal 2027 and 2028, an increase from \$150,000 provided in fiscal 2026. Requests for loans are typically higher than \$150,000, so increased funding may increase utilization of the program.

## ***PAYGO Recommended Actions***

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1. Concur with Governor’s allowance.

## ***GO Bond Recommended Actions***

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1. Approve all general obligation bond authorizations and amendments to prior authorizations for the Department of Planning.

## **Updates**

- ***Maryland Archaeological Conservation Laboratory:*** A project to renovate and expand the Maryland Archaeological Conservation Laboratory (MAC Lab) at Jefferson Patterson Park and Museum previously received \$19.9 million in capital funding. The project has experienced some delays, but MAC Lab is expected to reopen in mid-calendar 2026.
- ***Extensions for Funding Authorized in 2019 Session:*** The capital budget bill includes amendments to 2019 session authorizations for the AAHP Grant Program and the MHT Capital Grant Program, extending the date by which general obligation (GO) bond authorizations must be spent by two years, to June 1, 2028. Since projects receiving awards sometimes fall through, and awards must be rescinded, funds from prior years may become available to re-award. Projects may also take longer than grantees expected. Unless extended by an Act of the General Assembly, GO bond funds terminate seven years after authorization. The proposed amendments allow MDP and grantees additional time to use the funds for capital projects. There are six active projects with fiscal 2019 funding still

remaining: four AAHP grants with a combined balance of \$115,029 and two MHT Capital grants with a combined balance of \$3,438.

## ***Budget Overview of Grant and Loan Programs***

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MDP oversees three capital grant and loan programs: the MHT Loan Program; the MHT Capital Grant Program; and the AAHP Grant Program. These programs work toward the department’s mission of protecting and interpreting historic properties by supporting nonprofit organizations, local governments, and individuals in preserving historical resources throughout the State. The fiscal 2027 proposed capital budget includes \$300,000 for the MHT Loan Program, \$1 million for the MHT Capital Grant Program, and \$5 million for the AAHP Grant Program.

### **Maryland Historical Trust Loan Program**

**Program Description:** The MHT Loan Program provides loans to nonprofit organizations, local jurisdictions, business entities, and private individuals for the purpose of acquiring, rehabilitating, or refinancing all categories of real property listed in or eligible for listing in the Maryland Register of Historic Places. The budget provides \$300,000 in special funds for fiscal 2027, which is \$150,000 more than the fiscal 2026 appropriation. The program’s average loan request is \$275,000, so planned spending was increased to accommodate larger requests for funding.

The loan program is supported primarily by loan repayments, including interest and late fees, which totaled \$157,663 in fiscal 2025. The loan program fund closed fiscal 2025 with a balance of \$474,567. The 2026 CIP recommends \$300,000 annually for fiscal 2027 and 2028 followed by no funding in fiscal 2029 and 2030 to allow loan repayments to replenish the program. Under this plan, funding at the \$300,000 level would resume in fiscal 2031. The 2025 CIP programmed \$150,000 in fiscal 2027 and 2028 and \$120,000 in fiscal 2029, followed by no funding in fiscal 2030. **Exhibit 1** shows the change in planned funding from the 2025 CIP to the 2026 CIP.

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**Exhibit 1**  
**Planned Maryland Historical Trust Loan Program Funding**  
**Fiscal 2026-2031**

|          | <u>2026</u> | <u>2027</u> | <u>2028</u> | <u>2029</u> | <u>2030</u> | <u>2031</u> |
|----------|-------------|-------------|-------------|-------------|-------------|-------------|
| 2025 CIP | \$150,000   | \$150,000   | \$150,000   | \$120,000   | \$0         | n/a         |
| 2026 CIP | 150,000     | 300,000     | 300,000     | 0           | 0           | \$300,000   |

CIP: *Capital Improvement Program*

Source: 2025 and 2026 *Capital Improvement Programs*

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*D40\* – Maryland Department of Planning – Capital*

The loan program received one application in fiscal 2025 for \$300,000, but the proposed project was deemed too high risk due to extensive damage to the building and the fact that the loan would be used for refinancing a prior loan, rather than the physical rehabilitation to the building. MHT used \$33,846 from the fund for administrative costs in fiscal 2025. Chapter 203 of 2023 authorized MHT to transfer funds to qualifying nonprofit organizations for uses including acquiring and rehabilitating historic properties. In fiscal 2024, Preservation Maryland applied for and received one transfer of \$300,000; no organization has applied for a transfer since then.

**Maryland Historical Trust Capital Grant Program**

**Program Description:** The MHT Capital Grant Program provides grants to nonprofit organizations, local jurisdictions, business entities, and individuals to assist with the acquisition, rehabilitation, or restoration of properties listed or eligible for listing on the National Register of Historic Places. Nonprofit organizations and local jurisdictions may also receive funding for predevelopment costs directly associated with a project to rehabilitate or restore historic properties. The fiscal 2027 capital budget includes \$1 million in GO bond funding, level with the prior year. A list of projects that were awarded funding in fiscal 2025 is included in **Appendix 1**.

As shown in **Exhibit 2**, the program has consistently received more applications than MHT has been able to fund. Funding increased in fiscal 2026 to \$1 million, which is still well below the average funds requested annually.

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**Exhibit 2**  
**Maryland Historical Trust**  
**Capital Grant Applications and Awards**  
**Fiscal 2021-2025**

| <u>Year</u> | <u>Funds Requested</u> | <u>Applications Received</u> | <u>Available Funds</u> | <u>Requested Funds Awarded</u> | <u>Applicants Assisted</u> |
|-------------|------------------------|------------------------------|------------------------|--------------------------------|----------------------------|
| 2021        | \$2,651,500            | 31                           | \$600,000              | 23%                            | 19%                        |
| 2022        | 3,359,750              | 39                           | 600,000                | 18%                            | 18%                        |
| 2023        | 4,099,081              | 56                           | 600,000                | 15%                            | 13%                        |
| 2024        | 3,076,215              | 37                           | 600,000                | 20%                            | 19%                        |
| 2025        | 4,202,759              | 55                           | 600,000                | 14%                            | 16%                        |

Source: Department of Budget and Management

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### African American Heritage Preservation Grant Program

**Program Description:** The AAHP Grant Program supports local government and nonprofit organizations in identifying and preserving buildings, communities, and sites of historical and cultural importance to the African American experience in Maryland. This competitive grant program is administered by MHT in conjunction with the Maryland Commission on African American History and Culture (MCAAHC). The fiscal 2027 capital budget includes \$5 million in GO bonds for the program, as mandated by Chapter 29 of 2022. Up to 20% of the fund may be reserved for emergency needs, and in fiscal 2027, MHT has set aside \$100,000 in funding from a fiscal 2018 award that was canceled for emergency use.

**Exhibit 3** shows grant applications and award data for the past several years. The number of applications and amount of funding requested rose notably in fiscal 2024, the first year in which changes made by Chapter 29 were applicable. In addition to increasing mandated funding from \$1 million to \$5 million, Chapter 29 eliminated a matching funding requirement and increased the maximum per project cap to \$500,000. However, MCAAHC made the decision to increase the cap from \$100,000 to \$250,000. A list of grantees for fiscal 2026 is included in **Appendix 2**.

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**Exhibit 3**  
**African American Heritage Preservation Grant Program**  
**Applications and Awards**  
**Fiscal 2022-2026**

| <u>Year</u> | <u>Funds Requested</u> | <u>Applications Received</u> | <u>Grant Funding Awarded</u> | <u>Requested Funds Awarded</u> | <u>Applicants Assisted</u> |
|-------------|------------------------|------------------------------|------------------------------|--------------------------------|----------------------------|
| 2022        | \$3,386,000            | 37                           | \$1,000,000                  | 30%                            | 35%                        |
| 2023        | 4,206,600              | 49                           | 1,000,000                    | 24%                            | 29%                        |
| 2024        | 20,215,992             | 108                          | 5,000,000                    | 25%                            | 22%                        |
| 2025        | 14,283,367             | 73                           | 5,000,000                    | 35%                            | 42%                        |
| 2026        | 15,298,960             | 78                           | 5,000,000                    | 33%                            | 37%                        |

Source: Department of Budget and Management

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Chapter 622 of 2025 expanded the AAHP program to allow it to receive grants and make noncapital grants. The fiscal 2027 operating allowance for MDP includes \$250,000 in general funds for this purpose.

**Appendix 1**  
**Historic Preservation Grant Funded Projects**  
**Fiscal 2025**

| <b><u>Project</u></b>                  | <b><u>County</u></b> | <b><u>Amount</u></b> |
|--|----------------------|----------------------|
| Gordon Roberts House                   | Allegany             | \$86,000             |
| First and Franklin Presbyterian Church | Baltimore City       | 100,000              |
| Hays House                             | Harford              | 41,000               |
| Howard County Courthouse               | Howard               | 100,000              |
| Kent News Building                     | Kent                 | 74,000               |
| Teackle Tenement                       | Somerset             | 100,000              |
| Tudor Hall                             | St. Mary's           | 75,000               |
| Easton Armory                          | Talbot               | 83,000               |
| Easton Railroad Station                | Talbot               | 40,000               |
| <b>Total</b>                           |                      | <b>\$699,000</b>     |

Note: Funds awarded may exceed the annual authorization when funds are available from prior years if awarded grants are canceled or completed under budget.

Source: Maryland Historical Trust

**Appendix 2**  
**African American Heritage Preservation Grant Funded Projects**  
**Fiscal 2026**

| <b><u>Project</u></b>  | <b><u>County</u></b> | <b><u>Amount</u></b> |
|--|----------------------|----------------------|
| Sumner Cemetery  | Allegany             | \$45,000             |
| Brewer Hill Cemetery   | Anne Arundel         | 250,000              |
| Frederick Douglass Summer House                                | Anne Arundel         | 149,000              |
| Chew’s Memorial Church and Cemetery                            | Anne Arundel         | 135,000              |
| Goshen Farm  | Anne Arundel         | 51,000               |
| Orchard Street Church  | Baltimore City       | 250,000              |
| Sanaa Center Project   | Baltimore City       | 250,000              |
| Margaret Jenkins House   | Baltimore City       | 226,000              |
| American Legion Mannie Scott Post 193                          | Caroline             | 250,000              |
| Anna Murray Douglass Heritage & Visitor Center                 | Caroline             | 250,000              |
| Mt. Pleasant Acres Farms                                       | Caroline             | 226,000              |
| Union Street United Methodist Church                           | Carroll              | 250,000              |
| Old Pomonkey High School                                       | Charles              | 250,000              |
| Alexandria (Alexander) Chapel United Methodist Church Cemetery | Charles              | 108,000              |
| Point of Rocks Colored Cemetery                                | Frederick            | 129,000              |
| Catoctin Furnace African American Cemetery                     | Frederick            | 73,000               |
| Chesapeake Lodge Number 48 / Jessie J. Shanks Lodge Number 137 | Harford              | 250,000              |
| Havre de Grace Colored School Museum and Cultural Center       | Harford              | 147,000              |
| St. James AME Church Gravel Hill                               | Harford              | 137,000              |
| Hopkins Educational / Community Building                       | Howard               | 250,000              |
| West Liberty United Methodist Church                           | Howard               | 170,000              |
| Mander House Museum  | Kent                 | 250,000              |
| Charles Sumner Lodge No. 25, GAR                               | Kent                 | 40,000               |
| John Howard House  | Montgomery           | 250,000              |
| Ash Memorial Cemetery  | Montgomery           | 132,000              |
| Boys’ Village of Maryland Cemetery                             | Prince George’s      | 200,000              |
| Galilee United Methodist Cemetery                              | St. Mary’s           | 38,000               |
| American Hall  | Washington           | 115,000              |
| St. James Free Methodist Church                                | Wicomico             | 129,000              |
| <b>Total</b>   |                      | <b>\$5,000,000</b>   |

Source: Maryland Historical Trust