

DW0110
Department of Planning – Capital

Capital Budget Summary

State-owned Capital Improvement Program
(\$ in Millions)

Projects	Prior Auth.	2022 Request	2023 Est.	2024 Est.	2025 Est.	2026 Est.	Beyond CIP
Maryland Archaeological Conservation Laboratory Expansion and Renovation	\$0.883	\$2.653	\$8.015	\$0.000	\$0.000	\$0.000	\$0.000
Total	\$0.883	\$2.653	\$8.015	\$0.000	\$0.000	\$0.000	\$0.000

Fund Source	Prior Auth.	2022 Request	2023 Est.	2024 Est.	2025 Est.	2026 Est.	Beyond CIP
GO Bonds	\$0.883	\$2.653	\$8.015	\$0.000	\$0.000	\$0.000	\$0.000
Total	\$0.883	\$2.653	\$8.015	\$0.000	\$0.000	\$0.000	\$0.000

CIP: *Capital Improvement Program*
GO: general obligation

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

Program	2020 Approp.	2021 Approp.	2022 Request	2023 Est.	2024 Est.	2025 Est.	2026 Est.
Historic Revitalization Tax Credit Program	\$9.000	\$9.000	\$9.000	\$0.000	\$0.000	\$0.000	\$0.000
Maryland Historical Trust Revolving Loan Fund	0.300	0.300	0.300	0.300	0.300	0.300	0.300
African American Heritage Preservation Grant Program	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Maryland Historical Trust Capital Grant Fund	0.600	0.600	0.600	0.600	0.600	0.600	0.600
Total	\$10.900	\$10.900	\$10.900	\$1.900	\$1.900	\$1.900	\$1.900

Fund Source	2020 Approp.	2021 Approp.	2022 Request	2023 Est.	2024 Est.	2025 Est.	2026 Est.
PAYGO GF	\$2.000	\$3.466	\$7.000	\$0.000	\$0.000	\$0.000	\$0.000
PAYGO SF	7.300	5.834	2.300	0.150	0.150	0.150	0.150
GO Bonds	1.600	1.600	1.600	1.750	1.750	1.750	1.750
Total	\$10.900	\$10.900	\$10.900	\$1.900	\$1.900	\$1.900	\$1.900

GF: general funds
 GO: general obligation
 PAYGO: pay-as-you-go
 SF: special funds

Note: No out-year funding is projected for the Historic Revitalization Tax Credit Program (formerly the Heritage Structure Rehabilitation Tax Credit Program), since the tax credit is not included in the 2021 *Capital Improvement Program*. Chapter 211 of 2019 renamed the Heritage Structure Rehabilitation Tax Credit Program as the Historic Revitalization Tax Credit Program and extended the tax credit through fiscal 2024 but did not specify an amount.

Key Observations

- ***Maryland Archaeological Conservation Laboratory Expansion and Renovation Project:*** Due to a number of factors, the design and construction schedules for the Maryland Archaeological Conservation Laboratory Expansion and Renovation Project are delayed such that construction is unlikely to begin until the start of fiscal 2023. **The Department of Legislative Services (DLS) recommends that \$2.0 million in general obligation (GO) bond authorization for the construction portion of the project be reduced and added to the amount preauthorized for fiscal 2023 to complete the construction funding.**
- ***COVID-19 Pandemic Impacts:*** The COVID-19 pandemic has impacted the Maryland Department of Planning’s (MDP) administration of its capital grant and loan programs. African American Heritage Preservation Program (AAHP) and Maryland Historical Trust (MHT) Capital Grant Fund grant workshops have been converted to online webinars, and grant agreements are being executed digitally. The MDP Revolving Loan Fund has approved three borrowers for three-month loan repayment deferrals and two borrowers for a second, three-month deferral. Finally, the Secretary of Planning has deferred the 18-month start requirement for projects that were awarded competitive commercial tax credits under the Historic Revitalization Tax Credit Program.

Summary of Recommended PAYGO Actions

1. Concur with Governor’s allowance.

Summary of Recommended Bond Actions

	<u>Funds</u>
1. Maryland Archeological Conservation Laboratory Expansion and Renovation	\$2,000,000 GO
Reduce the Maryland Archaeological Conservation Laboratory Expansion and Renovation project’s authorization by \$2,000,000 in general obligation bonds for fiscal 2022 construction funding.	
2. SECTION 13 – Maryland Department of Planning – Maryland Archaeological Conservation Laboratory	\$2,000,000 P1
Increase the preauthorization for the Maryland Archaeological Conservation Laboratory Expansion and Renovation project by the amount of the recommended fiscal 2022 reduction.	

Total General Obligation Reductions	\$2,000,000
Total Preauthorization Additions	\$2,000,000

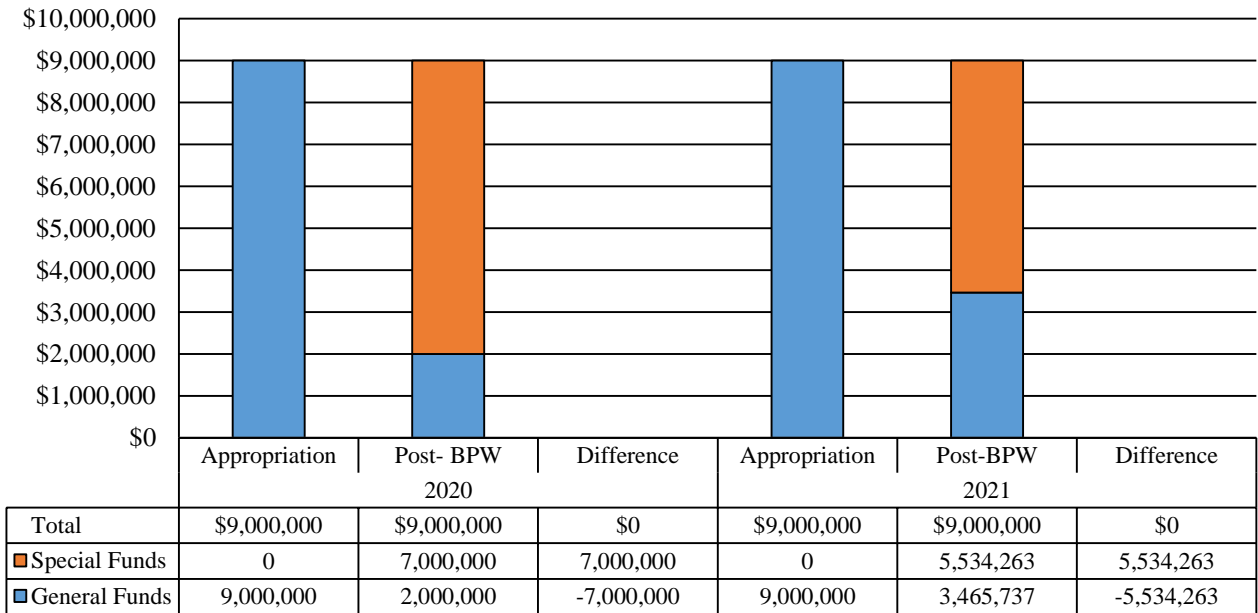
Budget Overview

Fiscal 2020 and Fiscal 2021 Cost Containment

Historic Revitalization Tax Credit Program Board of Public Works Funding Changes

- **Board of Public Works Actions:** As shown in **Exhibit 1**, Board of Public Works actions on May 20, 2020, and July 1, 2020, reduced the Historic Revitalization Tax Credit Program fiscal 2020 and 2021 general fund appropriation by \$7,000,000 and \$5,534,263, respectively.

Exhibit 1
BPW Funding Changes to Historic Revitalization Tax Credit Program
Fiscal 2020-2021



BPW: Board of Public Works

Source: Department of Legislative Services

- ***Tax Credit Reserve Fund Balance:*** Two separate budget amendments have been processed providing an equivalent amount of special fund appropriation from available cash balance in the Tax Credit Reserve Fund, which assured an appropriation level sufficient to cover anticipated tax credit awards in both fiscal 2021 and 2022. Typically, the general fund appropriation is deposited into the Tax Credit Reserve Fund and then funding is transferred out of the Tax Credit Reserve Fund as special funds to the General Fund as tax credits are claimed and disbursements processed.
- ***Future Liability:*** Drawing on the Tax Credit Reserve Fund balance provides the appropriation necessary to award credits to the level originally funded in fiscal 2020 and 2021, but it creates an unfunded liability in the program as the total amount of credits awarded and outstanding exceed the total funds available in the reserve fund. While this appears to be manageable in the near term, it increases the likelihood that some combination of additional general fund appropriations to the fund will be required to cover the disbursement of awarded credits, or the level of credits awarded through the program will have to be reduced below the actual level of general fund appropriations into the fund. It is noteworthy that the fiscal 2022 allowance reflects a special fund appropriation of \$2.0 million, which further increases the unfunded liability. While MDP notes that tax credit claims requiring disbursement have averaged \$7.4 million over the last six fiscal years and there is sufficient balance to cover the current needs of the program, this does not address the long-term unfunded liability created by the cost containment actions.

DLS recommends that MDP comment on how it plans to manage the tax credit program going forward given the unfunded liabilities created by the cost containment actions.

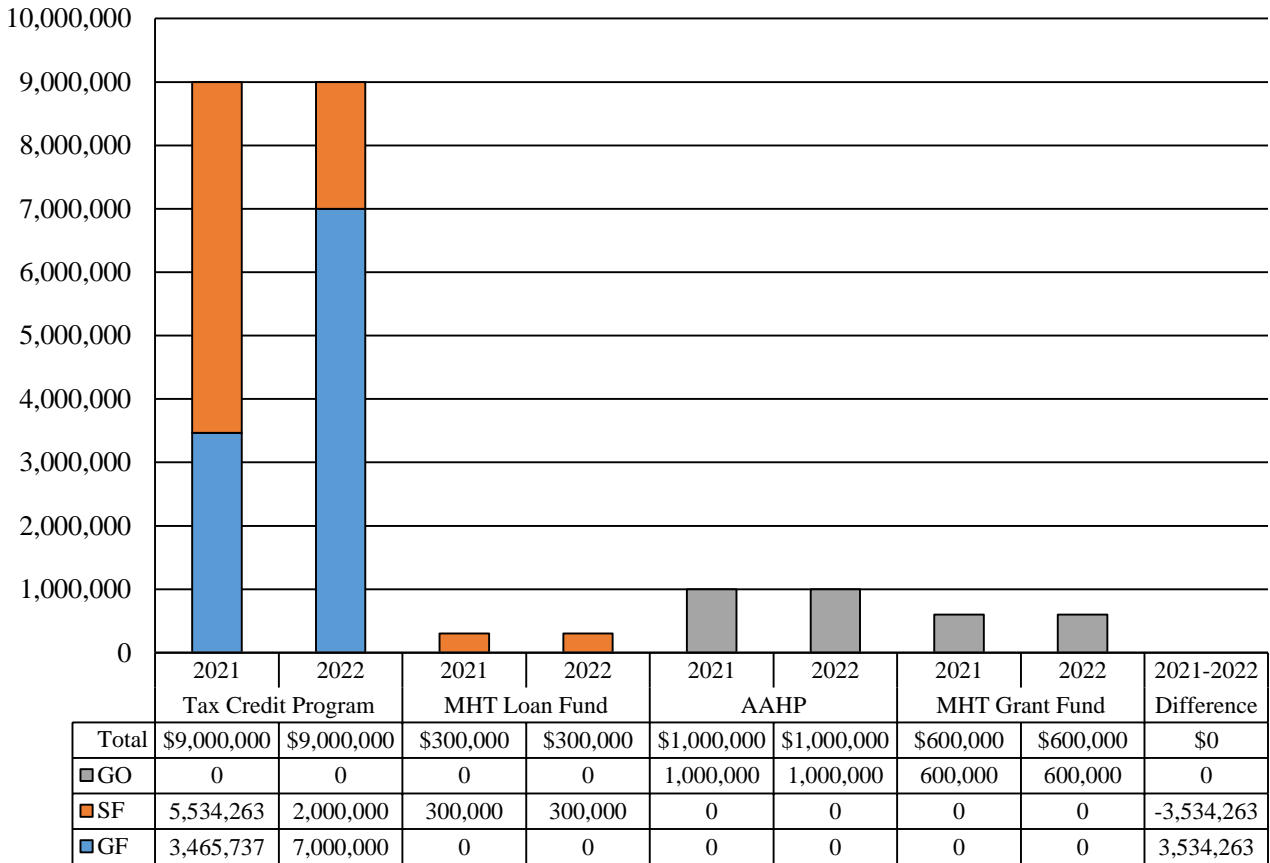
Fiscal 2022 Proposed Budget

All four MDP historic preservation programs are funded in the fiscal 2022 operating and capital budgets as well as the Maryland Archeological Conservation Laboratory Expansion and Renovation GO bond capital project.

Tax Credit and Grant and Loan Programs

The tax credit and loan program funding changes by fund between fiscal 2021 and 2022 are shown in **Exhibit 2**.

**Exhibit 2
Department of Planning Capital Budget Changes by Fund
Fiscal 2021-2022**



AAHP: African American Heritage Preservation Grant Program
 GF: general funds
 GO: general obligation
 MHT: Maryland Historical Trust
 SF: special funds

Source: Department of Budget and Management; Department of Legislative Services

Historic Revitalization Tax Credit Program

The fiscal 2022 allowance includes a total of \$7.0 million in general funds and \$2.0 million in special funds, reflecting the use of balance from the tax credit reserve fund. There were 11 applications for fiscal 2021 funding, requesting a total of \$15.5 million for construction projects and totaling \$42.9 million in estimated costs. The seven projects that received \$9.2 million in tax credit funding in fiscal 2021 were announced on January 4, 2021, and are listed at the end of this analysis.

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The program continues to have staffing challenges. The program’s website notes that due to ongoing staff vacancies and the challenges of remote working, tax credit review periods are currently running between 60 and 85 days and are likely to increase. MDP notes that the program is administered by 2 regular positions – a program administrator and a permanent reviewer – and 1 contractual full-time equivalent (FTE) reviewer. However, the contractual reviewer FTE has been vacant since September 2019, although it was filled with a new FTE starting February 3, 2021, and the permanent reviewer position has been vacant since November 2020, which is in recruitment. As a result, the program currently has 1 dedicated staff member, the program administrator, who is also responsible for MDP’s easement and grant and loan programs.

MHT Revolving Loan Fund

The fiscal 2022 allowance includes \$300,000 in special funds. The 2020 *Capital Improvement Program* (CIP) programmed \$150,000 each in special funds and GO bonds for fiscal 2022, but there is sufficient fund balance available to avoid the need to use GO bonds and level fund the program in fiscal 2022. Capitalization funding of \$150,000 in GO bonds is programmed in the 2021 CIP for fiscal 2023 and every year thereafter through the end of the five-year planning period. The early loan payoff in fiscal 2020 for the Women’s Industrial Exchange defrayed the need for GO bonds in fiscal 2022. Similar early loan payoffs have mitigated the need for GO bond funds since fiscal 2018. However, it is not clear that early loan payoffs will continue to mitigate the need for GO bonds.

Recent activity may reduce the available revolving special funds and thus require capitalization with GO bond funds. In fiscal 2020, a \$300,000 loan was awarded for the acquisition of the Knights of Pythias Building in Hagerstown, repayment of which will eventually revolve, but a direct expenditure of \$300,000 was approved in fiscal 2021 for rehabilitation of the King’s Reach House and Garage located at the Jefferson Patterson Park and Museum. This direct expenditure, as well as a similar \$175,000 direct grant for the Gardner’s Cottage at Jefferson Patterson Park and Museum in recent years, will drain the source of revolving funds and eventually require GO bond capitalization. MDP notes that no additional applications have been submitted for fiscal 2021 or 2022 loan funds.

MHT AAHP Grant Program

The fiscal 2022 capital budget bill includes \$1 million in GO bonds as mandated for the AAHP Grant Program. The 13 projects that received a total of \$1.0 million in GO bond funding in fiscal 2021 as announced at the December 16, 2020 BPW meeting are listed at the end of this analysis.

Exhibit 3 reflects the encumbrance and expenditure schedule for the AAHP Grant Program. This shows that there is \$463,000 of funds authorized prior to fiscal 2017 still remaining to be expended by grantees. While MDP normally gives grantees a two-year timeframe following encumbrance to begin to draw down on the funds, very few projects meet this schedule due to inexperience on the part of the nonprofit applicants, lack of design team involvement, limited available qualified preservation contractors, and the time required to convey an historic preservation easement to MHT. If warranted, MDP has the option to cancel a grant or not extend the project completion date.

Exhibit 3
African American Heritage Preservation Grant Program
Program Inception through January 2021
(\$ in Millions)

<u>Fiscal Year</u>	<u>Authorization</u>	<u>Funds</u>		<u>Balances</u>	
		<u>Encumbered</u>	<u>Expended</u>	<u>To Be Encumbered</u>	<u>To Be Expended</u>
Prior Years	\$5.000	\$5.000	\$4.537	\$0.000	\$0.463
2017	1.000	1.000	0.479	0.000	0.521
2018	1.000	1.000	0.369	0.000	0.631
2019	1.000	0.998	0.212	0.002	0.788
2020	1.000	0.998	0.003	0.002	0.998
2021	1.000	0.000	0.000	1.000	1.000
Total	\$10.000	\$8.996	\$5.600	\$1.004	\$4.400

Source: Maryland Department of Planning

MHT Capital Grant Fund

The fiscal 2022 allowance includes \$600,000 in GO bonds for the MHT Capital Grant Fund. Since program reinstatement in fiscal 2018, grant applications have far exceeded available funding. In fiscal 2020, the grant application deadline was extended to April 6, 2020, due to the pandemic; 42 applications were received requesting almost \$2.8 million, and 10 grants were awarded. The fiscal 2021 online application will be available February 8, 2021, with a due date of March 22, 2021, and the announcement of awards is anticipated in late May or early June 2021. Fiscal 2022 grant awards will be made in spring 2022. Therefore, fiscal 2021 and 2022 grant awards are not known at this time.

Exhibit 4 reflects that the MHT Capital Grant Fund is encumbering funding in a timely manner, but the expenditures appear to be lagging.

Exhibit 4
MHT Capital Grant Fund
Program Inception Through January 2021
(\$ in Millions)

<u>Fiscal Year</u>	<u>Authorization</u>	<u>Funds</u>		<u>Balances</u>	
		<u>Encumbered</u>	<u>Expended</u>	<u>To Be Encumbered</u>	<u>To Be Expended</u>
Prior Years	\$19.561	\$19.561	\$19.561	\$0.000	\$0.000
2017	0.000	0.000	0.000	0.000	0.000
2018	0.600	0.600	0.316	0.000	0.284
2019	0.600	0.600	0.279	0.000	0.321
2020	0.600	0.600	0.100	0.000	0.500
2021	0.600	0.000	0.000	0.600	0.600
Total	\$21.961	\$21.361	\$20.256	\$0.600	\$1.705

MHT: Maryland Historical Trust

Source: Maryland Department of Planning

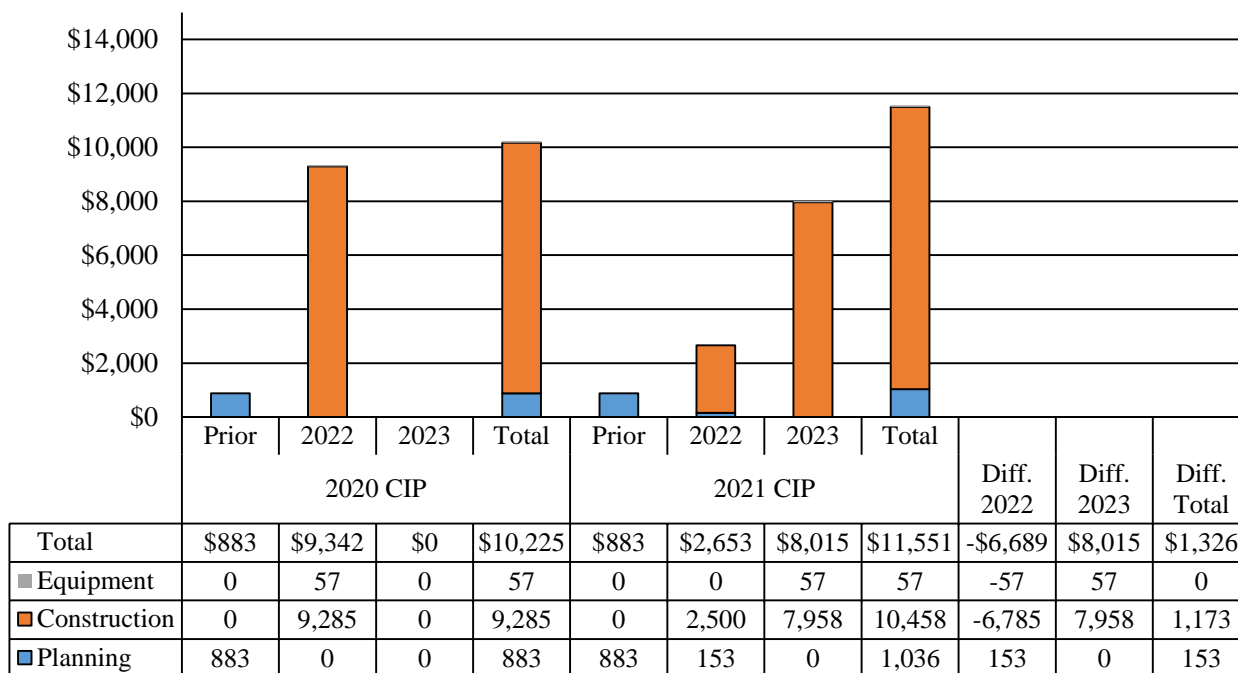
State-owned Projects

Maryland Archeological Conservation Laboratory Expansion and Renovation

The Maryland Archeological Conservation Laboratory is an archaeological research, conservation, and curation facility housed at Jefferson Patterson Park and Museum. It is a clearinghouse for archaeological collections associated with land-based and underwater projects conducted by State and federal agencies and for major collections acquired through private donations.

As shown in **Exhibit 5**, the total project cost increased by \$1,326,000 from \$10,225,000 to \$11,551,000 between the 2020 and 2021 CIPs, with construction costs increasing by \$1,173,000 and planning costs increasing by \$153,000. The project originally was slated to receive \$9,342,000 in fiscal 2022, but this funding largely has been shifted to fiscal 2023. The reason for the increases is primarily due to construction delays resulting from the need to add the following items: HVAC upgrades; underground storage tank removal; and fire suppression system upgrades. These items added costs of their own but also required time for additional review by the Department of General Services for the HVAC components and a third-party contractor for the underground storage tanks. This additional review time delayed the project and thus increased costs due to estimated construction inflation.

Exhibit 5
Maryland Archaeological Conservation Laboratory Expansion and Renovation
2020 and 2021 Capital Improvement Programs
(\$ in Thousands)



Source: Department of Budget and Management; Department of Legislative Services

MDP notes that the project schedule has been shifted back sufficiently so that construction may not begin until fiscal 2023, despite the allocation of construction funding in fiscal 2022. The design request for proposals (RFP) was posted in December 2020, and technical proposals are due February 4, 2021. If design starts in March 2021, then it will take another 9 to 12 months to complete, or around March 2022. The construction RFP will not begin immediately after the final designs were received, so construction is not likely to begin until fiscal 2023. **DLS recommends that \$2.0 million in GO bond authorization for the construction portion of the Maryland Archaeological Conservation Laboratory Expansion and Renovation project be reduced and that the funding be added to the preauthorization for fiscal 2023. Leaving \$500,000 to fund construction in fiscal 2022 will allow the construction contract solicitation and bid to take place during fiscal 2022, leaving open the possibility that construction could start in late fiscal 2022.**

Preauthorizations

As shown in **Exhibit 6**, the 2021 session capital budget bill includes a \$7.958 million preauthorization for the Maryland Archaeological Conservation Laboratory Expansion and Renovation project for fiscal 2023 that, combined with the funds authorized in fiscal 2022, will allow the construction contract to be solicited, bid, and approved by BPW during fiscal 2022. **DLS recommends that the fiscal 2023 preauthorization be increased by \$2.0 million in order to align the construction funding with the current project schedule and the recommendation to reduce the fiscal 2022 funding by \$2.0 million.**

**Exhibit 6
Preauthorizations
Fiscal 2023-2026
(\$ in Millions)**

<u>Project</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Reason</u>
Maryland Archaeological Conservation Laboratory Expansion and Renovation project	\$7.958	\$0.000	\$0.000	\$0.000	Complete construction of improvements.

Source: Department of Budget and Management, 2021 *Capital Improvement Program*

PAYGO Recommended Actions

1. Concur with Governor's allowance.

GO Bond Recommended Actions

1. Reduce the Maryland Archaeological Conservation Laboratory Expansion and Renovation project’s authorization by \$2,000,000 in general obligation bonds for fiscal 2022 construction funding.

DW0108A	Maryland Archeological Conservation Laboratory Expansion and Renovation	\$ 653,000
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<u>Allowance</u>	<u>Change</u>	<u>Authorization</u>
2,653,000	-2,000,000	653,000

Explanation: This action reduces the Maryland Archaeological Conservation Laboratory Expansion and Renovation project’s authorization by \$2,000,000 in general obligation bonds for fiscal 2022 construction funding in order to align with the construction schedule, which is likely in the last month or two of fiscal 2022, and will provide funds to solicit, bid, and award the construction contract in fiscal 2022 should the funds be needed.

2. Increase the preauthorization for the Maryland Archaeological Conservation Laboratory Expansion and Renovation project by the amount of the recommended fiscal 2022 reduction.

ZF2700	SECTION 1 – Maryland Department of Planning – Maryland Archaeological Conservation Laboratory	\$ 9,958,000
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Explanation: This action increases the preauthorization for the Maryland Archaeological Conservation Laboratory Expansion and Renovation project in order to align the construction funding with the current project schedule and the recommendation to reduce the fiscal 2022 funding by \$2.0 million.

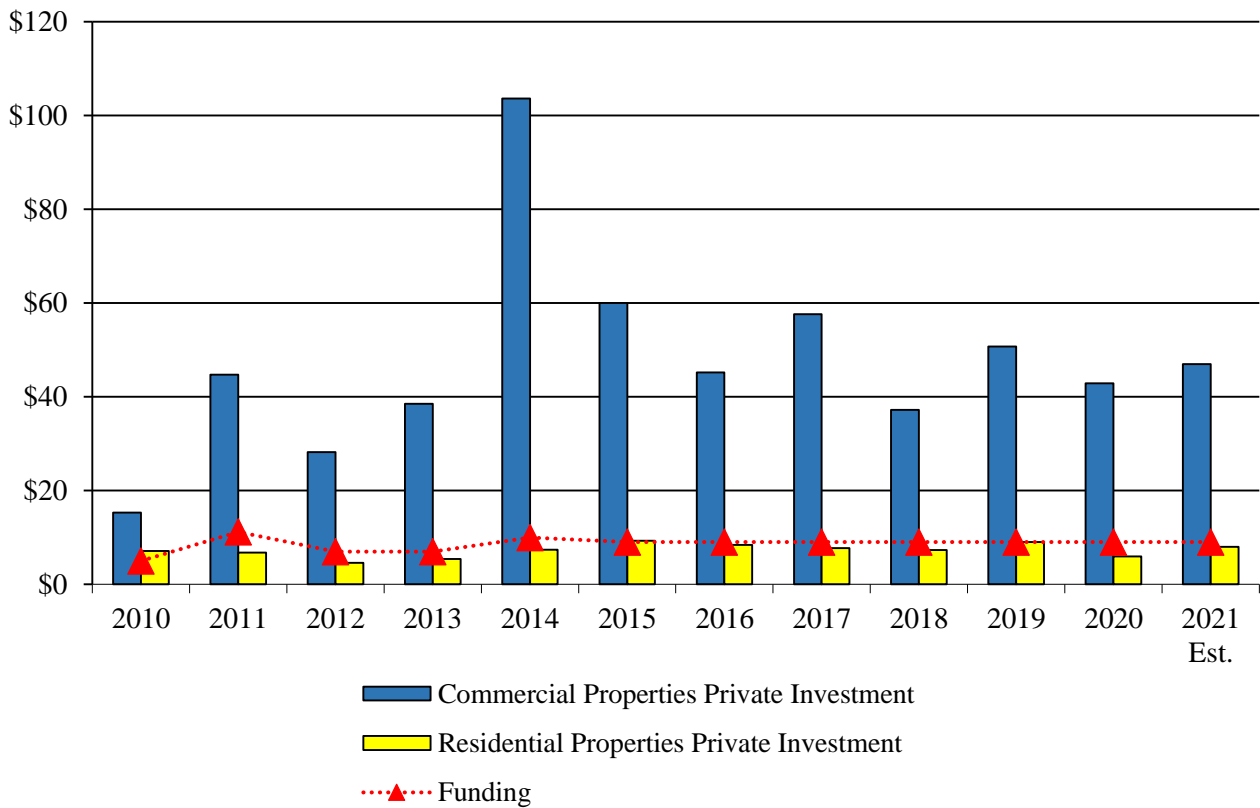
Total General Obligation Bonds Reductions	\$2,000,000
Total Preauthorization (2021) Additions	\$2,000,000
Total Reductions	\$0

Performance Measures and Outputs

Historic Revitalization Tax Credit Program

Exhibit 7 illustrates the level of private investment for both commercial and residential credits. While funding has remained consistent at \$9.0 million annually, the level of private investment associated with the commercial credits fluctuates based on the mix of projects selected for State credits with some projects resulting in more private investment than others. In general, the amount of private investment to credit is approximately five to one.

Exhibit 7
Historic Revitalization Tax Credit Program
Measure of Private Investment and Program Funding
Fiscal 2010-2021 Est.
(\$ in Millions)



Source: Governor’s Fiscal 2009-2022 Budget Books; Maryland Department of Planning

Operating Budget Impact Statement

Executive’s Operating Budget Impact Statement – State-owned Projects

Fiscal 2022-2026

(\$ in Millions)

	2022	2023	2024	2025	2026
Maryland Archaeological Conservation Laboratory Expansion and Renovation					
Estimated Operating Cost	\$0.197	\$0.064	\$0.128	\$0.134	\$0.140
Estimated Staffing	0	1	2	2	2
Total Operating Impact					
Estimated Operating Cost	\$0.197	\$0.064	\$0.128	\$0.134	\$0.140
Estimated Staffing	0	1	2	2	2

The operating budget costs for the Maryland Archaeological Conservation Laboratory Expansion and Renovation project total \$196,812 in general funds in fiscal 2022, decreasing to \$140,285 in general funds in fiscal 2026. The costs include salaries for 2 positions – a digital archivist and an archaeologist III – and expenses related to moving and storage of the collection. The salaries for the positions increase from \$63,992 in fiscal 2023, when only 1 of the 2 positions is reflected, to \$140,285 in fiscal 2026, when both of the positions are reflected. The moving and storage costs reflect \$196,812 in general funds in fiscal 2022. However, MDP notes that a total of \$375,000 in general funds is budgeted for this purpose in fiscal 2021 and further notes that the \$375,000 now is likely to be expended on or after March 2022, when the design has been completed and the start of construction is closer.

Maryland Historic Revitalization Tax Credit Fiscal 2021 Projects

<u>Project</u>	<u>County</u>	<u>Estimated Project Costs</u>	<u>Credit Amount</u>
Baltimore Traction Company Car Barn	Baltimore City	\$15,000,000	\$3,000,000
Eastern Pumping Station	Baltimore City	11,000,000	3,033,837
P.S. 103 Henry Highland Garnet School	Baltimore City	8,200,000	1,393,593
Buckingham House and Industrial School Complex	Frederick	3,800,000	760,000
The Academy School	Dorchester	1,250,000	250,000
110 – 116 N. Potomac Street	Washington	2,200,000	440,000
Stevens Smith and Co Building	Dorchester	1,400,000	280,000
Total		\$42,850,000	\$9,157,430

African American Heritage Preservation Program Fiscal 2021 Projects

<u>Project</u>	<u>Grantee</u>	<u>Location</u>	<u>Grant Amount</u>
Laurel Cemetery	Laurel Cemetery Memorial Project, Inc.	Baltimore City	\$88,000
African American Heritage Center	The African American Resources-Cultural and Heritage Society Incorporated	Frederick	100,000
Bazzel Church	Good Shepherd Association	Cambridge	100,000
Carver School	Mayor and City Council of Cumberland	Cumberland	100,000
Diggs-Johnson Museum	Friends of Historical Cherry Hill A.U.M.P., Inc.	Granite	100,000
Galesville Community Center	Galesville Community Center Organization, Inc.	Galesville	45,000
Historic Oliver Community Firehouse	African American Fire Fighters Historical Society, Inc.	Baltimore City	100,000
Howard House	Department of Natural Resources – Maryland Park Service	Brookeville	100,000
Kennedy Farm/John Brown Raid Headquarters	John Brown Historical Foundation, Inc.	Sharpsburg	99,000
Millard Tydings Memorial Park	The Sgt. Alfred B. Hilton Memorial Fund, Inc.	Havre de Grace	25,000
Mt. Zoar AME Church	Mount Zoar African Methodist Episcopal Church	Conowingo	32,000
Prince George’s African American Museum and Cultural Center	Prince George’s African-American Museum and Cultural Center at North Brentwood, Inc.	North Brentwood	20,000

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<u>Project</u>	<u>Grantee</u>	<u>Location</u>	<u>Grant Amount</u>
Union of Brothers and Sisters of Fords Asbury Lodge No. 1	The Union of Brothers and Sisters of Fords Asbury, Inc.	White Marsh	91,000
Total			\$1,000,000

Appendix 1 Program Descriptions

The mission of the Maryland Department of Planning (MDP) Preservation Services program is to preserve historical and archeological resources by providing financial incentives to property owners and enforcing regulations. MDP currently has four capital programs that serve to preserve historical and archeological resources: the Historic Revitalization Tax Credit Program (formerly the Heritage Structure Rehabilitation Tax Credit Program); the Maryland Historical Trust (MHT) Revolving Loan Fund; the MHT Capital Grant Fund; and the MHT African American Heritage Preservation (AAHP) Grant Program. All four programs seek to promote the acquisition and rehabilitation of historic properties by providing low-interest loans, tax credits, or grants, depending on the program.

- ***Historic Revitalization Tax Credit Program:*** The program has a budgeted commercial tax credit and both a small commercial and residential nonbudgeted tax credit. The small commercial nonbudgeted tax credit has a \$4 million overall cap, and the qualified rehabilitation expenditures cannot exceed \$500,000 per project. The tax credits offered are generally equal to 20% of qualified rehabilitation expenditures, not to exceed \$3 million for commercial rehabilitations, and \$50,000 for both single-family, owner-occupied residences and small commercial projects. The eligibility for small commercial projects includes row homes sold as part of a certain type of development project and both agricultural and post-World War II structures that meet certain requirements. The tax credit is increased to 25% for a commercial rehabilitation that meets specified energy efficiency standards. Commercial rehabilitations within an opportunity zone qualify for an additional tax credit and increased maximum tax credits. Funding for the program is required for the commercial credit in fiscal 2018 through 2024. MHT is authorized to award an unlimited amount of residential credits to applications received through June 30, 2024.
- ***MHT Revolving Loan Fund:*** The MHT Revolving Loan Fund 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 Properties. Short-term financing (up to 2 years) may also be available for predevelopment work required or recommended by MHT that is to be undertaken in advance of a construction project being funded with federal or State monies. The program may also be used to fund the cost of rehabilitation of historic property owned by MHT and for the acquisition of historic property by MHT. In return for loans, most recipients must convey to MHT a term historic preservation easement on the property with an easement term ending 5 years after the date of the loan payoff or 15 years from recordation, whichever is longer.
- ***MHT AAHP Grant Program:*** The program is administered by MHT in partnership with the Commission on African American History and Culture. For each fiscal year, the Governor must include in the annual operating or capital budget an appropriation of \$1 million to the AAHP Grant Program Grant Fund. Factors considered in granting applications include the public necessity and urgency of a project, the need for additional sources of funding for a project, the

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estimated cost and timeliness of executing a project, the viability of matching funds for a project, and geographic diversity. Unless waived by the director of MHT as impracticable, infeasible, or not necessary under the circumstances, if the property receiving a grant is historic real property individually listed in or individually eligible for listing in the Maryland Register of Historic Properties, then a term of historic preservation easement must be conveyed to MHT. The term of the easement is tied to the amount of funding received, and each \$5,000, or portion thereof, in funding will result in 1 year of easement term, with a minimum easement term of 15 years.

- ***MHT Capital Grant Fund:*** The MHT Capital Grant Fund provides grants to nonprofit organizations, local jurisdictions, business entities, and individuals to assist with 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. In return for grants, most recipients must convey to MHT a term preservation easement prior to the receipt of funds that is tied to the amount of funding received; each \$5,000, or portion thereof, in funding will result in 1 year of easement term, with a minimum easement term of 15 years. The maximum grant offered is \$100,000, and there is a matching requirement for local jurisdictions, business entities, and individuals of either cash or an in-kind contribution in an amount at least equal to the grant.