

**DW0110**  
**Department of Planning – Capital**

***Capital Budget Summary***

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

<b>Projects</b>	<b>Prior Auth.</b>	<b>2023 Request</b>	<b>2024 Est.</b>	<b>2025 Est.</b>	<b>2026 Est.</b>	<b>2027 Est.</b>	<b>Beyond CIP</b>
Maryland Archaeological Conservation Laboratory Expansion and Renovation	\$1.536	\$3.505	\$8.000	\$0.000	\$0.000	\$0.000	\$0.000
Patterson Center Renovations	9.304	0.124	0.000	0.000	0.000	0.000	0.000
<b>Total</b>	<b>\$10.840</b>	<b>\$3.629</b>	<b>\$8.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

<b>Fund Source</b>	<b>Prior Auth.</b>	<b>2023 Request</b>	<b>2024 Est.</b>	<b>2025 Est.</b>	<b>2026 Est.</b>	<b>2027 Est.</b>	<b>Beyond CIP</b>
GO Bonds	\$10.840	\$3.629	\$8.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total</b>	<b>\$10.840</b>	<b>\$3.629</b>	<b>\$8.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

CIP: *Capital Improvement Program*  
GO: general obligation

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

<b>Program</b>	<b>2022 Approp.</b>	<b>2023 Request</b>	<b>2024 Est.</b>	<b>2025 Est.</b>	<b>2026 Est.</b>	<b>2027 Est.</b>
Historic Revitalization Tax Credit Program	\$9.000	\$12.000	\$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
African American Heritage Preservation Grant Program	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	1.000	1.000
<b>Total</b>	<b>\$10.900</b>	<b>\$13.900</b>	<b>\$1.900</b>	<b>\$1.900</b>	<b>\$2.300</b>	<b>\$2.300</b>

<b>Fund Source</b>	<b>2022 Approp.</b>	<b>2023 Request</b>	<b>2024 Est.</b>	<b>2025 Est.</b>	<b>2026 Est.</b>	<b>2027 Est.</b>
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PAYGO GF	\$7.000	\$12.150	\$0.000	\$0.000	\$0.000	\$0.000
PAYGO SF	2.300	0.150	0.150	0.150	0.150	0.150
GO Bonds	1.600	1.600	1.750	1.750	2.150	2.150
<b>Total</b>	<b>\$10.900</b>	<b>\$13.900</b>	<b>\$1.900</b>	<b>\$1.900</b>	<b>\$2.300</b>	<b>\$2.300</b>

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 since the tax credit is not included in the 2022 *Capital Improvement Program*. Chapter 332 of 2021 extended the tax credit through fiscal 2024 and mandated appropriations of at least \$12.0 million for fiscal 2023 and 2024.

## ***PAYGO Recommended Actions***

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1. Concur with Governor’s allowance for the Maryland Historical Trust Revolving Loan Fund fiscal 2023 appropriation of \$150,000 in general funds and \$150,000 in special funds.
2. Concur with Governor’s allowance for the Maryland Historic Revitalization Tax Credit Program fiscal 2023 appropriation of \$12,000,000 in general funds.

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

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1. Approve the \$3,505,000 authorization for the Maryland Archaeological Conservation Laboratory Expansion and Renovation project to complete design, begin construction of improvements, and equip the Maryland Archaeological Conservation Laboratory at the Jefferson Patterson Park and Museum.
2. Approve the \$124,000 authorization for the Patterson Center Renovations project to complete the design of renovations to the Patterson Center at the Jefferson Patterson Park and Museum.
3. Approve the \$1,000,000 authorization for the African American Heritage Preservation Grant Program to assist in the protection of properties with cultural and historical significance to the African American community.
4. Approve the \$600,000 authorization for the Maryland Historical Trust Capital Grant Fund for historical preservation and museum assistance.
5. Approve the fiscal 2024 preauthorization of \$8,000,000 for the Maryland Archaeological Conservation Laboratory Expansion and Renovation project to complete construction of improvements to the Maryland Archaeological Conservation Laboratory at the Jefferson Patterson Park and Museum.

## ***Summary of Fiscal 2023 Funded State-owned Projects***

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There are two State-owned projects in the Maryland Department of Planning (MDP) fiscal 2023 capital appropriation – the Maryland Archaeological Conservation Laboratory Expansion and Renovation project and the Patterson Center Renovations project.

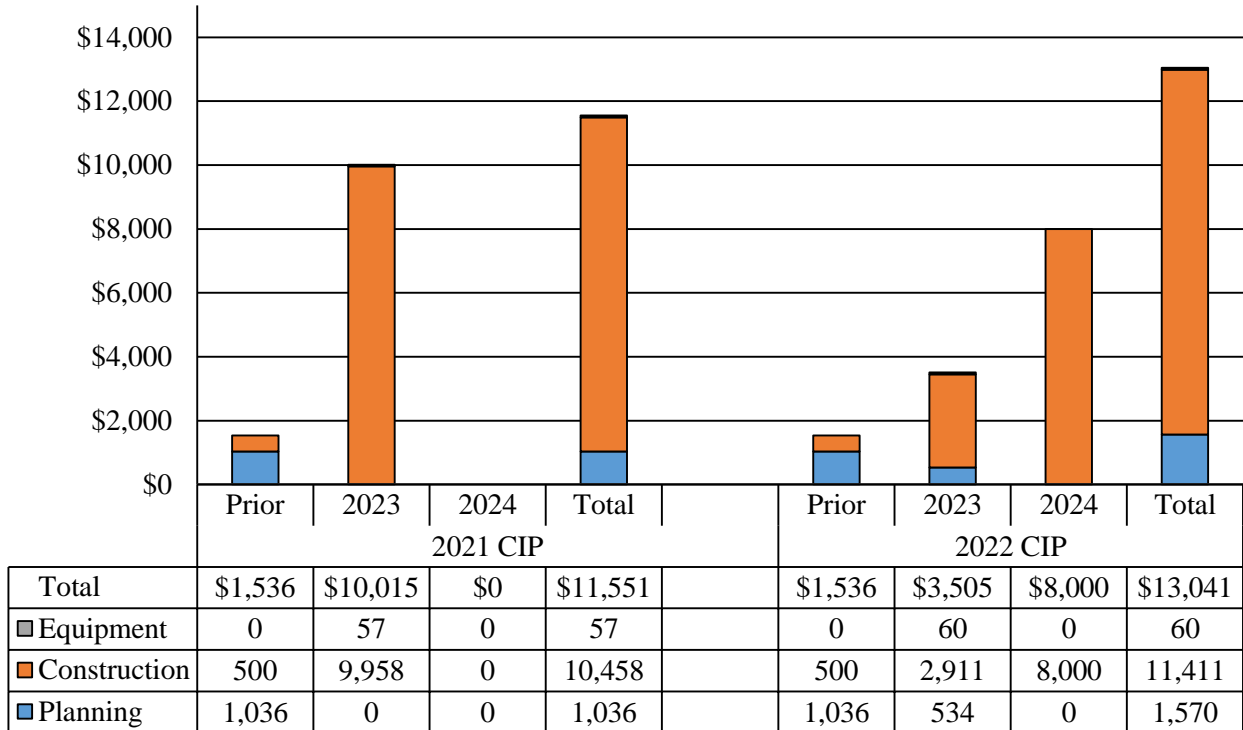
### **Maryland Archeological Conservation Laboratory Expansion and Renovation**

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 1**, the total project cost has increased to \$13 million in the 2022 *Capital Improvement Program* (CIP), an increase of \$1.5 million over the 2021 CIP. The increase consists of planning costs of \$0.5 million and construction costs of \$1.0 million. Of note, the project was programmed for a total of \$10.2 million in the 2020 CIP; costs have increased by \$2.8 million, or 28%, between the 2020 and 2022 CIPs. The project was originally slated to receive \$10.0 million in fiscal 2023, but this funding largely has been shifted to fiscal 2024.

The reason for the project cost increase is primarily due to delays in hiring a design firm. Design was anticipated to start in December 2020 but did not actually start until August 31, 2021, and is now expected to be completed in late summer 2022. MDP notes that construction is now expected to begin in fall 2022, although information provided by the Department of Budget and Management (DBM) indicates a January 2023 construction start. As a result of the design delays, construction has also been delayed and will not be completed until May 2024 at the earliest, which could lead to storage issues since the facility is now expected to be at 100% capacity at the end of fiscal 2022. To address the construction delays, there is a fiscal 2024 preauthorization of \$8.0 million in general obligation (GO) bonds to complete construction of improvements to the Maryland Archaeological Conservation Laboratory at the Jefferson Patterson Park and Museum. **The Department of Legislative Services recommends approval of the preauthorization and also recommends that MDP comment on the impact of the construction delays on the ability of the Maryland Archaeological Conservation Laboratory to store collections.**

**Exhibit 1**  
**Maryland Archaeological Conservation Laboratory Expansion and Renovation**  
**2021 and 2022 CIPs**  
**(\$ in Thousands)**



CIP: *Capital Improvement Program*

Note: The 2021 CIP reflects the decisions made through the 2021 legislative session, which included reducing the fiscal 2022 authorization from \$2,653,000 to \$653,000 and modifying the fiscal 2023 preauthorization from \$7,758,000 to \$9,758,000.

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

**Patterson Center Renovations**

In order to fulfill the function of a house museum, the Patterson Center Renovations project consists of renovating three buildings at Jefferson Patterson Park and Museum in Calvert County – the main house, pool house, and garage. Renovations include remediating structural failures; upgrading to meet current codes for fire, electrical, and the Americans with Disabilities Act; and landscaping. When the project first appeared in the CIP, project design was scheduled to start in fiscal 2014 and construction to commence in fiscal 2017. However, funding delays pushed out the invitation for bids

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process for construction until fiscal 2020 when changes to the State’s fire codes required revisions to the original plans. The restarting of the design process was then delayed by the need for additional funding to cover architectural/engineering fees.

The last funding received for the project was \$4,590,000 in GO bonds in fiscal 2021 for construction (\$4,565,000) and equipment (\$25,000). The fiscal 2021 funding was intended to be the final funding for the project with a total cost of \$9,304,000. However, the project construction schedule has been delayed until June 2022, which means that the archaeological services contract begun in March 2021 needs to be continued so that it can cover the duration of the now extended construction period. Therefore, there is a \$124,000 GO bond authorization in fiscal 2023 in order to complete archaeological work associated with the renovations, bringing the total project cost to \$9,428,000.

**Updated Cost Estimate**

The current construction schedule is informed by recent developments. Two construction proposals were received January 7, 2021, with the following bid prices – \$8,622,600 and \$8,852,047. The Department of General Services (DGS) has recommended the construction award to the lowest responsive bid. However, DGS now estimates the construction cost to be \$9,959,860 once additional costs for contingency, inspection/testing, and additional architectural and engineering services are included. MDP notes there is currently \$8,494,573 for construction (although DBM indicates the amount is \$8,327,000), which will require MDP to request an allocation from the State’s Construction Contingency Fund (CCF) to make up the difference. DGS and DBM have agreed on this course of action, and a letter to the budget committees requesting approval of CCF funding will be sent soon. MDP notes that the three buildings comprising the Patterson Center Renovations project have deteriorated due to the project delays as a result of HVAC system issues.

## Operating Budget Impact Statement

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

Fiscal 2023-2027

(\$ in Millions)

	2023	2024	2025	2026	2027
<b>Maryland Archaeological Conservation Laboratory Expansions and Renovation</b>					
Estimated Operating Cost	\$0.261	\$0.369	\$0.342	\$0.162	\$0.170
Estimated Staffing	0.000	1.000	2.000	2.000	2.000
<b>Patterson Center Renovations</b>					
Estimated Operating Cost	\$0.065	\$0.254	\$0.313	\$0.286	\$0.298
Estimated Staffing	0.000	3.000	3.000	3.000	3.000
<b>Total Operating Impact</b>					
<b>Estimated Operating Cost</b>	<b>\$0.326</b>	<b>\$0.623</b>	<b>\$0.655</b>	<b>\$0.449</b>	<b>\$0.468</b>
<b>Estimated Staffing</b>	<b>0.000</b>	<b>4.000</b>	<b>5.000</b>	<b>5.000</b>	<b>5.000</b>

The fiscal 2023 operating budget costs for the Maryland Archaeological Conservation Laboratory Expansion and Renovation project total \$260,500 in general funds for moving and storage of the collection during renovation and construction. The moving and storage costs increase to \$314,000 in general funds in fiscal 2024 before decreasing to \$186,000 in general funds in fiscal 2025 due to the multi-year construction schedule. Other costs include personnel costs starting in fiscal 2024 with the eventual addition of both a digital archivist and an archaeologist. Phone costs and fuel and utilities costs are included beginning in fiscal 2025.

The operating budget costs for the Patterson Center Renovations project total \$65,000 in general funds in fiscal 2023 for moving and storage of the collection during the renovation. In the out-years, a combination of general and special funds are projected to be needed. The moving and storage costs continue at \$65,000 in fiscal 2024 before decreasing to \$38,000 in fiscal 2025. Other costs include personnel costs starting in fiscal 2024 with an administrator, a maintenance chief, and an education specialist lead. Costs for communications, fuel and utilities, supplies and materials, and replacement and additional equipment begin in fiscal 2025.

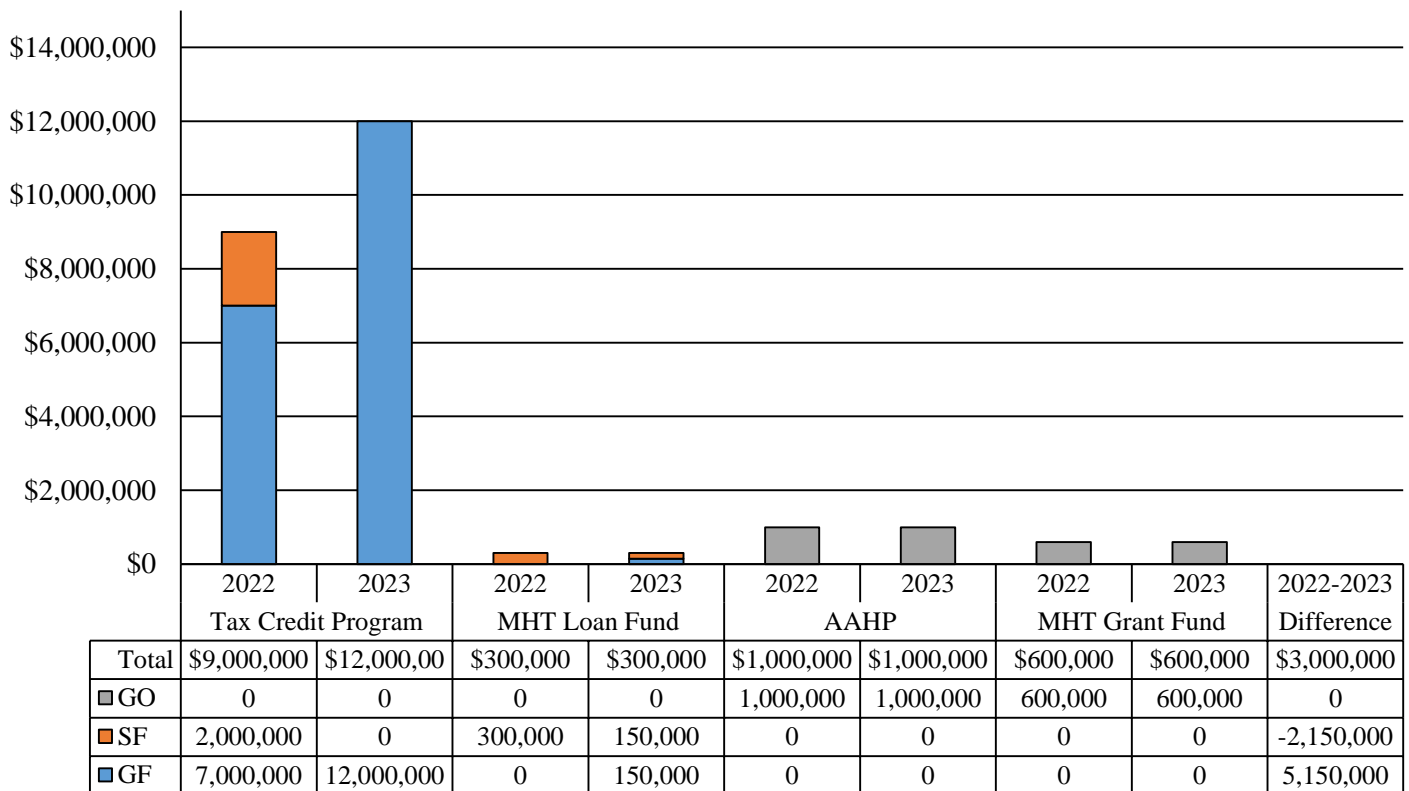
## ***Budget Overview of Grant and Loan Programs***

All four MDP historic preservation programs are funded in the fiscal 2023 operating and capital budgets.

### **Tax Credit and Grant and Loan Programs**

The tax credit, loan, and grant program funding changes by fund between fiscal 2022 and 2023 are shown in **Exhibit 2**.

**Exhibit 2**  
**Department of Planning Capital Budget Changes by Fund**  
**Fiscal 2022-2023**



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 2023 allowance includes \$12.0 million in general funds. This reflects the funding mandated by Chapter 332 of 2021, which extended the tax credit through fiscal 2024 and mandated appropriations of at least \$12.0 million for fiscal 2023 and 2024. This funding level reflects a \$3.0 million increase relative to the fiscal 2022 working appropriation and a change in the fund mix since the \$9.0 million fiscal 2022 working appropriation is comprised 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 15 applications for fiscal 2022 funding, requesting a total of \$18.8 million for construction projects and totaling \$111.4 million in estimated costs. The six projects that received \$9.2 million in tax credit funding in fiscal 2022 were announced on November 30, 2021, and are listed in **Appendix 1**.

### **Legislation Introduced to Expand and Extend Tax Credit**

Of note, SB 289/HB 27 of 2022 would establish a Small Commercial Project Trust Account within the Historic Revitalization Tax Credit Reserve Fund and mandate funding levels for both the commercial and small commercial project tax credits through fiscal 2031.

### **Unfunded Liability from Fiscal 2020 and 2021 Cost Containment Actions**

Board of Public Works actions on May 20, 2020, and July 1, 2020, reduced the Historic Revitalization Tax Credit Program's fiscal 2020 and 2021 general fund appropriation by \$7,000,000 and \$5,534,263, respectively. Subsequent budget amendments provided 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. Subsequently, the fiscal 2022 appropriation reflected \$2.0 million in special funds as well. Drawing on the Tax Credit Reserve Fund balance provided the funding necessary to award credits at the level originally funded in fiscal 2020, 2021, and 2022 but also created an unfunded liability in the program as the total amount of credits awarded and outstanding exceeds the total funds available in the reserve fund. In last year's analysis, MDP noted 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, but this does not address the long-term unfunded liability created by the cost containment actions. MDP notes that no cash flow problems have emerged to date.

### **Staffing Concerns**

In response to staffing shortfalls and extended project review periods, budget bill language in the fiscal 2022 operating budget restricted \$100,000 in general funds pending the conversion of the administrator I contractual full-time equivalent (FTE) tax credit reviewer staffing the Historic Revitalization Tax Credit Program to a regular position on or before July 1, 2021. In addition, the fiscal 2022 Budget Bill specified that no funds could be expended until MDP submitted a report by July 1, 2021, on the status of Historic Revitalization Tax Credit Program staffing. This report was

required to include information on the average length of the tax credit review period from January 1, 2021, to July 1, 2021; the status of program staffing, including the vacancy status for the 2 regular positions and 1 contractual FTE currently staffing the program; and recommendations for improving the efficiency and sustainability of the tax credit review process.

MDP notes that the Historic Revitalization Tax Credit program is presently fully staffed with 3 permanent, full-time employees. As a result of full staffing, the average review time for the three components of the Historic Revitalization Tax Credit program – homeowner program, small commercial tax credit, and competitive commercial projects – is 30 to 45 days, which is down from the 45 to 60 days for the homeowner program and small commercial tax credit prior to the full staffing of the program with regular positions. MDP began working in October 2021 on a new project tracking database that will allow applicants to follow the progress of the review process. In addition, MDP has been working with the National Park Service’s Department of Technical Preservation Services on integrating MDP’s submittal portals and processes with an online application portal being developed for the Federal Rehabilitation Tax Credit Program, which is anticipated to go online at the end of calendar 2022. MDP is working on this integration with the online application portal for the Federal Rehabilitation Tax Credit Program since many Maryland Historic Revitalization Tax Credit Program applicants also apply for federal historic tax credits.

## **Maryland Historical Trust Revolving Loan Fund**

The fiscal 2023 allowance includes \$150,000 in general funds and \$150,000 in special funds for the Maryland Historical Trust (MHT) Revolving Loan Fund. The program requires a small general fund appropriation to provide sufficient fund balance to make grants and loans in fiscal 2023. Otherwise, program activity would be limited to the available fund balance estimated at \$183,759 at the end of fiscal 2022. Since fiscal 2018, early loan payoffs mitigated the need for capitalization funding, usually GO bonds. Capitalization funding of \$150,000 in GO bonds is programmed in the 2022 CIP for fiscal 2024 and every year thereafter through the end of the five-year planning period.

### **Impact of Providing Grants on Fund Balance**

Recent activity reduced the available revolving special funds and thus required the ongoing capitalizations 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, has depleted the source of revolving funds and require ongoing GO bond capitalization. MDP does note that no applications have been submitted for fiscal 2022 or 2023 funding.

MDP notes that the COVID-19 pandemic has reduced demand for the MHT Revolving Loan Fund. This is due to low commercial interest rates and the financial difficulties of nonprofit organizations, both of which reduce demand for the MHT Revolving Loan Fund. This situation could change if interest rates are raised higher than the MHT Revolving Loan Fund interest rate. Therefore,

Federal Reserve actions in the coming months may have an impact on demand for the MHT Revolving Loan Fund.

## MHT African American Heritage Preservation Grant Program

The fiscal 2023 capital budget bill includes \$1 million in GO bonds mandated for the African American Heritage Preservation (AAHP) Grant Program. The 13 projects that received a total of \$1.0 million in GO bond funding in fiscal 2022 were announced on November 16, 2021, and are listed in **Appendix 2**.

**Exhibit 3** reflects the encumbrance and expenditure schedule for the AAHP Grant Program. There is \$726,069 of funds authorized prior to fiscal 2018 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.

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**Exhibit 3**  
**African American Heritage Preservation Grant Program**  
**Program Inception through January 2022**  
**(\$ 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	\$6.000	\$6.000	\$5.274	\$0.000	\$0.726
2018	1.000	1.000	0.991	0.000	0.009
2019	1.000	0.998	0.748	0.002	0.252
2020	1.000	0.998	0.359	0.002	0.641
2021	1.000	0.989	0.068	0.011	0.932
2022	1.000	0.000	0.000	1.000	1.000
<b>Total</b>	<b>\$11.000</b>	<b>\$9.985</b>	<b>\$7.440</b>	<b>\$1.015</b>	<b>\$3.560</b>

Source: Maryland Department of Planning

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MDP notes that the amounts to be encumbered before fiscal 2022 reflect funding left over after project completion, which is being held in reserve for emergency grants. The amounts to be expended from before fiscal 2021 represent 39 open projects, of which the majority have expended some of their funding, and all projects are moving forward. The COVID-19 pandemic has caused delays due to labor and material cost increases, material scarcity, and contractor labor shortages.

## MHT Capital Grant Fund

The fiscal 2023 allowance includes \$600,000 in GO bonds for the MHT Capital Grant Fund. The 2022 CIP reflects an increase in the amount of funding programmed for the MHT Capital Grant Fund from \$600,000 to \$1,000,000 beginning in fiscal 2026. This change is due to the need to meet additional program demand. Since program reinstatement in fiscal 2018, grant applications have far exceeded available funding. The fiscal 2021 awards were announced on June 16, 2021. There were more than 30 applications for funding, of which six projects were granted \$100,000 each. The fiscal 2022 online application will be available on February 1, 2022, with a grant application deadline of March 15, 2022. Grant award announcements are expected in late May or early June 2022.

**Exhibit 4** reflects that the MHT Capital Grant Fund is encumbering funding in a timely manner, but expenditures appear to be lagging. MDP notes that the amount to be encumbered before fiscal 2022 is related to a fiscal 2021 grant that was awarded in late spring 2021 and which has not been encumbered. The amounts to be expended from before fiscal 2021 represent 14 open grants for projects that are underway and not yet completed. MDP notes that, similar to the AAHP Grant Program, the COVID-19 pandemic has caused delays due to labor and material cost increases, material scarcity, and contractor labor shortages, but that projects are moving forward.

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**Exhibit 4**  
**MHT Capital Grant Fund**  
**Program Inception through January 2022**  
**(\$ 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
2018	0.600	0.600	0.465	0.000	0.135
2019	0.600	0.600	0.411	0.000	0.189
2020	0.600	0.600	0.262	0.000	0.338
2021	0.600	0.500	0.001	0.100	0.599
2022	0.600	0.000	0.000	0.600	0.600
<b>Total</b>	<b>\$22.561</b>	<b>\$21.861</b>	<b>\$20.699</b>	<b>\$0.700</b>	<b>\$1.862</b>

MHT: Maryland Historical Trust

Source: Maryland Department of Planning

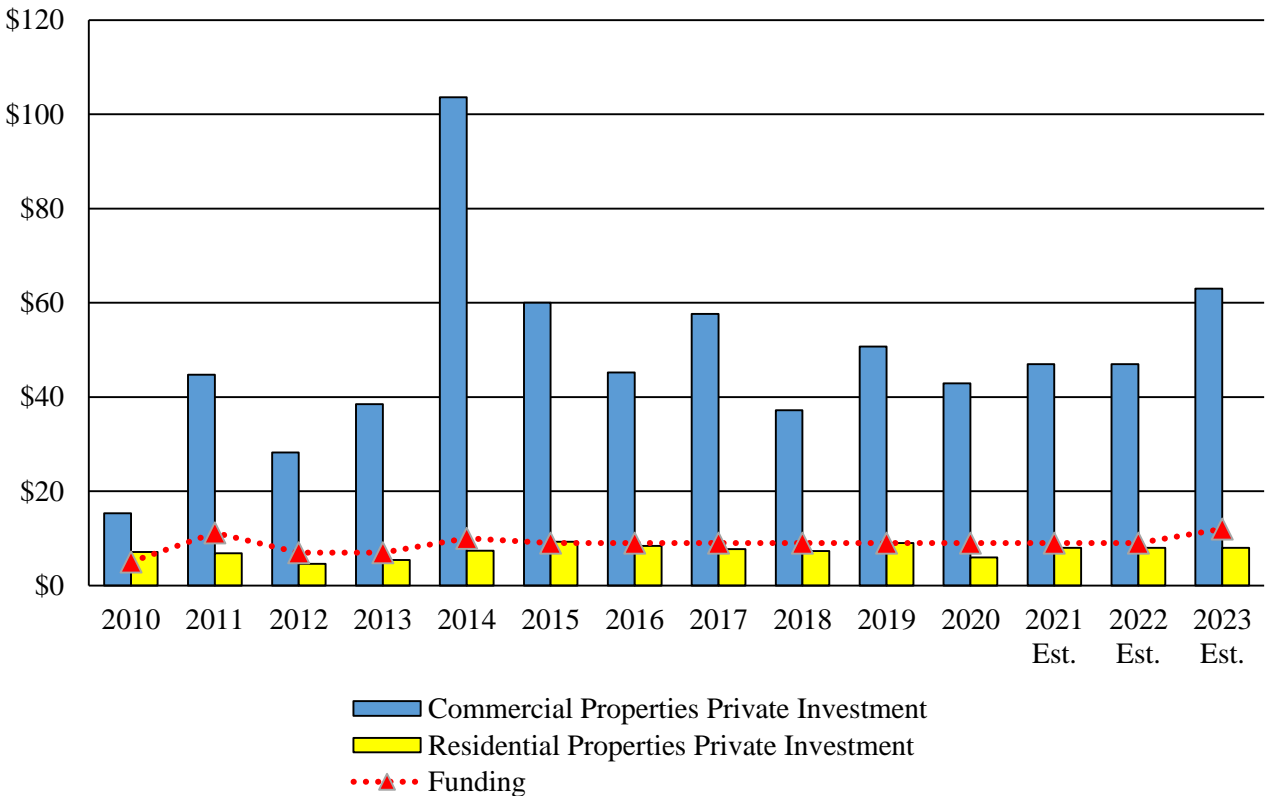
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## Performance Measures and Outputs

### Historic Revitalization Tax Credit Program

**Exhibit 5** illustrates the level of private investment for both commercial and residential credits. Funding has remained consistent since fiscal 2015 at \$9.0 million annually but increases to \$12.0 million in fiscal 2023. 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 5**  
**Historic Revitalization Tax Credit Program**  
**Measure of Private Investment and Program Funding**  
 Fiscal 2010-2023 Est.  
 (\$ in Millions)



Source: Governor’s Fiscal 2009-2023 Budget Books; Maryland Department of Planning

## ***Consolidated Administrative Expenses***

	<b>FY 2021 Actual</b>	<b>FY 2022 Estimated</b>	<b>FY 2023 Estimated</b>
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<b>Sources:</b>			
Special Funds			
Maryland Historic Revitalization Tax Credit Program	\$210,386	\$237,795	\$300,000
Maryland Historical Trust Revolving Loan Fund	53,221	54,000	59,000
African American Heritage Preservation Grant Program	0	0	0
Maryland Historical Trust Capital Grant Fund	0	0	0
<b><i>Subtotal – Special Funds</i></b>	<b>\$263,607</b>	<b>\$291,795</b>	<b>\$359,000</b>
<b>Total Funds</b>	<b>\$263,607</b>	<b>\$291,795</b>	<b>\$359,000</b>

<b>Uses:</b>			
Direct Expenses	\$263,607	\$291,795	\$359,000
Indirect Expenses (Legal, Marketing, Asset Management)	0	0	0
<b>Total Direct and Indirect Expenses</b>	<b>\$263,607</b>	<b>\$291,795</b>	<b>\$359,000</b>

## ***Program Description***

The mission of 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; the MHT Revolving Loan Fund; the MHT Capital Grant Fund; and the MHT 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. Per Chapters 342 and 343 of 2021, the small commercial nonbudgeted tax credit’s overall cap has increased from \$4 million to \$5 million. 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. Chapter 332 of 2021 extended the tax credit through fiscal 2024 and mandated appropriations of at least \$12.0 million for fiscal 2023 and 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 Places. Short-term financing (up to two 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 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 Places, 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.

Appendix 1

***Maryland Historic Revitalization Tax Credit Fiscal 2022 Projects***

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<u>Project</u>	<u>County</u>	<u>Estimated Project Costs</u>	<u>Credit Amount</u>
Wilkins Rogers Mill	Baltimore	\$35,000,000	\$3,000,000
Becker Bros./Gieske and Niemann Tobacco Warehouse	Baltimore City	7,000,000	1,750,000
Eastern Health District/Huntington Williams Building	Baltimore City	15,000,000	3,000,000
Randall House	Anne Arundel	970,370	194,074
Updegraff Building	Washington	3,391,828	847,957
Earles Building ( <i>aka</i> Holly Building)	Washington	12,500,000	394,121
<b>Total</b>		<b>\$73,862,198</b>	<b>\$9,157,430</b>



Appendix 2

***African American Heritage Preservation Program Fiscal 2022  
Projects***

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<b><u>Project</u></b>	<b><u>Grantee</u></b>	<b><u>Location</u></b>	<b><u>Grant Amount</u></b>
Banneker-Douglass Museum (former Mount Moriah AME Church)	Banneker-Douglass Museum Foundation, Inc.	Annapolis, Anne Arundel County	\$100,000
Sphinx Club	Druid Heights Community Development Corporation	Baltimore City	100,000
Sanaa Center	Pennsylvania Avenue Black Arts and Entertainment District, Inc.	Baltimore City	100,000
Bethel AME Church (Bethel Center)	Engage Mountain Maryland, Inc.	Mountain Lake Park, Garrett County	100,000
Havre de Grace Colored School Museum and Cultural Center	The Havre de Grace Colored School Museum and Cultural Center, Incorporated)	Havre de Grace, Harford County	100,000
Franklin Cemetery (Tanyard Cemetery)	Franklin United Methodist Church	Deale, Anne Arundel County	18,000
Scotland African Methodist Episcopal Zion Church	Scotland AME. Zion Church	Potomac, Montgomery County	100,000
Hollingsworth House at Historic Elk Landing	The Historic Elk Landing Foundation, Inc.	Elkton, Cecil County	48,000
St. Paul Church	St. Paul Church Historical, Revitalization, and Maintenance, Inc.	Denton, Caroline County	100,000
Carroll Family Farm	Working Out Wonders Foundation, Inc.	Nanjemoy, Charles County	56,000
Mt. Nebo AME Church	Friends of Historic Mt. Nebo Preservation Corporation	Upper Marlboro, Prince George's County	67,000

*DW0110 – Department of Planning – Capital*

<u>Project</u>	<u>Grantee</u>	<u>Location</u>	<u>Grant Amount</u>
St. James AME Church	The St. James AME Church of Gravel Hill Road, Inc.	Havre de Grace, Harford County	55,000
Bellevue Passage Museum	Mid-Shore Community Foundation, Inc.	Royal Oak, Talbot County	56,000
<b>Total</b>			<b>\$1,000,000</b>

AME: African Methodist Episcopal