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DEPARTMENT OF HOUSING &  
COMMUNITY DEVELOPMENT

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# Our Journey to AHTF Success!

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# ORIENTATION AT A GLANCE

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- Questions



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# The Affordable Housing Trust Fund Orientation

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## Path to an Executed Agreement



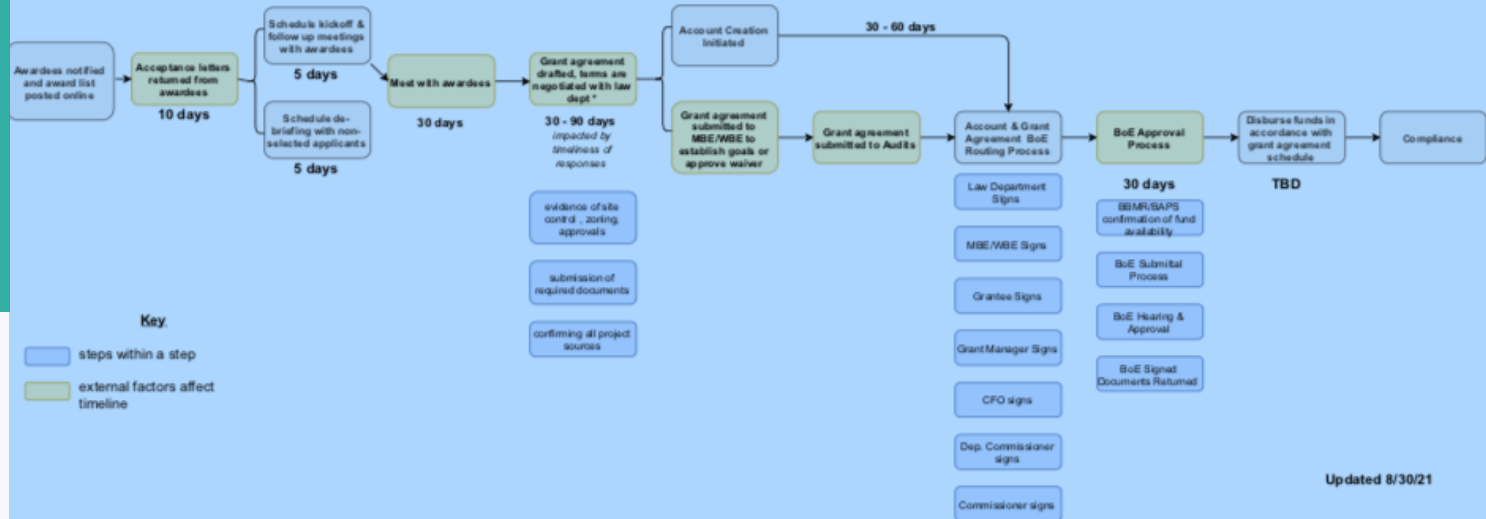
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PROJECT	AWARD AMOUNT	START DATE	AWARDED	DUE DILIGENCE/TERM NEGOTIATIONS	GRANT AGREEMENT DRAFT SENT	AUDIT REVIEW	AUDITS APPROVED	BOE REQUESTED	BOE APPROVED	DISBURSEMENT	COMPLIANCE
Cherry Hill CDC	\$245,000.00	4/1/2021	9/1/2019	2/10/2021	10/5/2021	10/5/2021	10/5/2021	10/14/2021	12/9/2021		
NEHI	\$750,000.00	4/1/2021	4/1/2021	5/1/2021	10/5/2021	10/22/2021	10/25/2021	11/9/2021			
Schrieber Brothers	\$750,000.00	7/23/2021	7/13/2021	8/4/2021	8/4/2021	8/26/2021	9/10/2021	9/10/2021			
Charm City Land Trust	\$150,000.00	4/1/2021	9/1/2019	1/20/2021	2/10/2021	2/20/2021	5/11/2021	5/11/2021	5/13/2021	5/30/2021	5/30/2021
Gillis Memorial	\$750,000.00	6/11/2021	7/13/2021	10/5/2021							
South Baltimore CLT	\$750,000.00	4/1/2021	4/17/2021	4/17/2021	10/1/2021						
Charm City Land Trust	\$750,000.00	4/20/2021									
Druid Heights CDC	\$379,500.00	11/17/2020	11/17/2020	11/17/2020							
Episcopal Housing	\$180,000.00	11/5/2020	11/5/2020	4/1/2021	12/3/2021						
Homes for America	\$500,000.00	8/10/2021	7/13/2021	8/10/2021							
Gedco-Harford House	\$500,000.00	8/10/2021	7/13/2021	12/3/2021	12/3/2021	12/8/2021	1/15/2021	1/24/2021			
ReBuild Metro	\$750,000.00	9/2/2020		6/3/2021							



## AHTF GRANT AWARD PROCESS FLOW CHART



Internal Steps  
to Board Of  
Estimates  
Approval



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# Kickoff Meeting-Due Diligence

- Kick off Meetings will be Scheduled within 2 weeks of being awarded.
- These are one on one meetings held with the awardee's development team to check Project status and answer any questions they may have.

Development Process	Grant Process
Project Status	
Market Analysis	
Site control/feasibility	Predevelopment Funds Available
Project Design/final budget	
Financing commitments	Remaining Funds are disbursed
Construction	



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## The Legal Path

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# COMPONENTS OF A GRANT AGREEMENT

- Establishes Grant Terms
- Describes Conditions precedent to receiving grant funds
- Describes City requirements to receive grant funds
  - Minority/Women's Business Participation
  - Employ Baltimore/Local Hire Reporting
  - Proof of Insurance
  - Compliance with City and State laws
  - Indemnification
- Documents included with agreement:
  - Budget, Scope of Work, and Declaration of Restrictive Covenant
  - Payment Request Forms



# Declaration of Restrictive Covenants

Homeownership Projects	Rental Projects
Declaration of Restrictive Covenant	Rent Regulatory and Declaration of Restrictive Covenant

- The Restrictive Covenant is required to be attached and recorded on the property where DHCD funds will be used to create low-income housing for resident with 50% or below Area Median Income (AMI)
- The covenant will attach for 30 years to ensure the units will be available only for residents with 50% or below (AMI)
- Anyone who takes title to the properties will be subject to the covenant
- A valid address is needed for the restrictive covenant to be recorded on the property.
- Lots that will be consolidated to one address may need to have the tax ID number and new address information for the covenant to be recorded on the property before the agreement can be drafted.

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# MBE/WBE REQUIREMENTS FOR CITY GRANTS

- **\$25,000 OR GREATER**
  - Board of Estimates Approval
- **\$50,000 OR GREATER**
  - Employ Baltimore Requirements
  - MBE/WBE participation requirements
- **GREATER THAN \$300,000**
  - Local Hire Requirements
  - MBE/WBE participation requirements
- **Commitment to Comply**

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# COMMITMENT TO COMPLY

In consideration for receiving fiscal assistance from or through the City of Baltimore the Developer/Grantee covenants and agrees to:

- comply with Article 5, Subtitle 28 of the Baltimore City Code regarding participation by Minority Business Enterprises (MBE) and Women’s Business Enterprises (WBE) in its development of the project
- to achieve MBE/WBE participation goals for the project
- to submit to the City written documentation, including executed contracts, service agreements, or utilization commitment forms which:
  - shall identify the particular MBE/WBE contracting directly with the Developer/Grantee or subcontracting with prime contractors who have contracted directly with the Developer/Grantee;
  - specify its owner’s race/ethnicity and sex;
  - specify the dollar value of the participation;
  - the type of work to be performed; and
  - such other information as may be reasonably required by the City.

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# MBE/WBE goals, if applicable, must be set for each specific contract

Considering, but not limited to, the following factors:

- The extent to which the work to be performed can reasonably be segmented to allow for MBEs and WBEs to participate on the contract;
- A determination of the number of certified MBEs and WBEs that potentially could perform the identified work; the contract specifications;
- The level of utilization of MBEs and WBEs in past contracts awarded by the City;
- The adverse impact on non-MBEs and WBEs; and
- Any other relevant factors.

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# MBE/WBE WAIVER REQUESTS

- You may seek a waiver if you believe that it is impracticable to achieve the MBE/WBE contract participation goals; such as a lack of sufficient qualified and willing MBE/WBEs in the market area.
- There is never any guarantee of a waiver of MBE/WBE contract participation goals.
- Please note that MWBOO is highly scrutinizing all waiver requests to ensure that you have:
  - conducted market research by searching the MWBOO certification database for eligible MBE/WBEs to perform the contract services,
  - exhausted all commercially useful functions that can be performed by MBE/WBEs on the contract,
  - discussed the difficulties you are experiencing achieving compliance with the contracting agency, and
  - contacted MWBOO for assistance.

# INSURANCE REQUIREMENTS FOR CITY GRANTS

- Blanket Commercial Crime Coverage or Employment Dishonesty Insurance at a limit of Twenty-Five Thousand Dollars (\$25,000.00) per occurrence is required.
- Commercial General Liability Insurance at limits of not less than One Million Dollars (\$1,000,000.00) per occurrence for claims arising out of bodily injuries or death, and property damages. With those policies with aggregate limits, a minimum limit of Three Million Dollars (\$3,000,000.00) is required.
- Worker's Compensation coverage as required by the State of Maryland;
- ***Consultants must have:***
  - Directors and Officers Insurance at a limit of not less, than One Million Dollars (\$1,000,000.00);
  - Commercial General Liability Insurance at limits of not less than One Million Dollars (\$1,000,000.00) per occurrence for claims arising out of bodily injuries or death, and property damages.
  - Errors and Omissions Insurance at a limit of not less, than One Million Dollars (\$1,000,000.00), in the event that services delivered pursuant to this Agreement, either directly or indirectly involve or require professional services; and
  - Business Automobile Liability at limits of not less than One Million Dollars (\$1,000,000.00) per occurrence for all claims arising out of bodily injuries or death and property damages.

# LOCAL HIRING REQUIREMENTS FOR CITY GRANTS

Baltimore City's Local Hiring

Law: <https://moed.baltimorecity.gov/employer-services/hiring-strategies-local>

- Applies to contracts for more than \$300,000 of city funds or projects with at least \$5M in indirect subsidies.
- Hire a majority of city residents for new job openings for the project and share job postings with MOED.
- Monthly reporting requirement
- MOED's free employer services:
  - <https://moed.baltimorecity.gov/employer-services>
  - Recruitment, training, tax credit information, outplacement services, apprenticeships

# STEPS TO BOARD OF ESTIMATES APPROVAL

- Grantee sends in Final Documents
- Draft Grant Agreement approved by City's Law Department
- Grantee reviews and Approves agreement to go to audits
- Department of Audits review and approval
  - Budget/Scope of Work/Schedule/Construction Contracts
  - Payment Requirements
- Agreement is sent for digital signatures from internal and external parties
- Grantee meets with Employ Baltimore/Local Hire
- Agreement is scheduled for BOE Agenda
- Board of Estimates Approval





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# Final Documents

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# FINALIZED GRANTEE DOCUMENTS

- Updated Budget needs to reflect awarded grant amount and changes in other funding sources
- Updated Scope of Work:
  - Final project needs to reflect what can be realistically achieved with grant award.
  - Has to be on Organization's letterhead
  - Has to include evaluation criteria
- Updated Schedule:
  - Has to include project goals and timelines for entire 24 months of project.



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## The Fiscal Path

# BUDGET

COMMUNITY CATALYST CAPITAL DEVELOPMENT BUDGET

Organization Name \_\_\_\_\_

Please complete only those categories that apply to your project. Additional categories can be added as needed. Costs should be realistic and associated with the final project.

Organization Name-- Project Name		
DEVELOPMENT BUDGET ITEMS USES OF FUNDS	Total Project Development	Project Address
	Budget	Add more columns as necessary
<b>ACQUISITION COSTS</b>		
Acquisition	\$ -	\$ -
Appraisal	\$ -	\$ -
<b>Acquisition Subtotal</b>	<b>0</b>	<b>0</b>
<b>CONSTRUCTION COSTS</b>		Address
Rehab Construction	\$ -	\$ -
Construction Contingency @ <u>  </u> %	\$ -	\$ -
Builders Profit @ <u>  </u> %	\$ -	\$ -
Builders Overhead @ <u>  </u> %	\$ -	\$ -
Bond Premium	\$ -	\$ -
Stabilization	\$ -	\$ -
Permits	\$ -	\$ -
Site Work	\$ -	\$ -
Utilities	\$ -	\$ -
Elevators	\$ -	\$ -
Tenant Improvements	\$ -	\$ -
Other (describe)	\$ -	\$ -
<b>Construction Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>
<b>PREDEVELOPMENT/PROFESSIONAL FEES/SOFT COSTS</b>		Address
Fascade Improvements	\$ -	\$ -
Fixtures (FF&E)	\$ -	\$ -
Staff (complete personnel tab)	\$ -	\$ -
Title	\$ -	\$ -
Design/Architecture	\$ -	\$ -

Organization Name-- Project Name										
DEVELOPMENT BUDGET ITEMS	Budget Amounts	CCG Capital Grant	List other Source	List other Source	List other source	List other source	List other source			Cross Check
<b>ACQUISITION COSTS</b>		\$0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	X-check
Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Appraisal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>CONSTRUCTION COSTS</b>		CCG	Source	Source	Source	Source	Source			X-check
Rehab Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Con. Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Builder Profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Builders Overhead	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond Premium	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stabilization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Site Work	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Elevators	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tenant Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>PREDEVELOP</b>	Budget	CCG	Source	Source	Source	Source	Source			X-check
Fascade Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fixtures (FF&E)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Staff (complete personnel tab)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Title	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Design/Architecture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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# BUDGET

- Has to reflect awarded grant amount and changes in other funding sources
- Summary Budget (Left Side):
  - Total Project Development Budget Column
    - Includes AHTF Award and other funding sources
  - Project Address
    - Include all addresses within project (add additional columns as needed)
- Summary Budget (Right Side):
  - Budget Amounts Column should match Total Project Development Column on left side.
  - AHTF Capital Grant Column has to include breakdown of how AHTF funds will be spent.
  - Other Source Columns should include breakdown of how other funding sources will be spent on project.
- Funding Sources:
  - List all funding sources and if they are committed, pending, or not requested

# BUDGET CONT.

- Personnel Tab:
  - Provide a breakdown of salary and benefits if funds are used for employees
  - Need job description if funds are used to hire new staff
  - Personnel Tab breakdown must match information provided on Budget Tool
- Pro Forma Tab (Complete only if rental project):
  - 20 year Cash Flow projection for rental properties
  - Please complete the cost of square foot section
  - Rent Rates tab MUST be completed in order for "Residential Rents line" to populate.
- Rent Rates Tab:
  - Complete the Total Number of Units and Monthly Rent per Unit Columns. The other columns will auto-populate.
- Homeownership Tab:
  - Complete columns with breakdown per house.

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# CONDITIONS BEFORE RECEIVING GRANT

In each instance a payment is requested, Grantee agrees to provide DHCD with the following:

- Copy of executed contracts with GRANTEE'S general contractor and consultant.
- Proof of site control for the Project.
- Construction schedule for the Project.
- Proof of commercial property insurance for each of the properties included in the Project.
- Copy of Insurance Certificate in accordance with the requirements set forth in the grant agreement.
- Proof of sufficient approved financing, including fully executed applicable loan documents, to sufficiently fund the total Project.
- Detailed invoices and proof of payment by GRANTEE
- Evidence that work subject to inspection has been approved and passed such inspection.
- Copy of the GRANTEE'S Contractor's Performance and Payment Bonds, if any.
- Copies of all necessary building permits, licenses and approvals as required by federal, state and local law and regulations to undertake work funded by the GRANT FUNDS.
- An executed and recorded Declaration of Restrictive Covenants for each of the properties included in the Project.

# GRANT PAYMENTS

**\*\*Initial Advanced Payment\*\* (On a case by case basis):** Grantee may submit a Request for an Advance Payment for up to Twenty-five Percent (25%) of the GRANT FUNDS using the Request for Payment Form. The disbursement shall only cover Predevelopment cost set forth included in the approved project budget. Payment is conditioned on verification by DHCD of Grantee's compliance with the terms of the Agreement.

**Permissible Retroactive Expenditures:** Expenses incurred between the awarded date and the Effective Date shall be eligible for reimbursement as part of the Reimbursement Payment or Initial Advanced Payment (if applicable), provided that the Permissible Retroactive Expenditures are included in the Approved Budget and Scope of Work, Grantee has met all other terms and conditions and DHCD has received and approved the following required documentation related to the Retroactive Expenditure:

- Proof of payment itemized in accordance with the Approved Budget, along with approved payroll, invoices, purchase orders, contracts, work product, printed materials, reports or any other information necessary to support an expenditure; and
- Proof that the expenditures covered in the Permissible Retroactive Expenditure do not include any expenditures tied to the Matching Funds.

**Subsequent Reimbursement Payment:** On or before the Termination Date, Grantee shall submit a final Request for Payment using the Request for Payment Form for the remaining available Grant Funds, not already disbursed by DHCD as the Initial Advanced Payment (if applicable). Along with the Request for Payment, Grantee shall also include the following required documentation:

- Proof of payment itemized in accordance with the Approved Budget, along with approved payroll, invoices, purchase orders, contracts, work product, printed materials, reports or any other information necessary to support the Request for Payment; and
- Proof that the expenditures covered in the Final Reimbursement Payment do not include any expenditures tied to the Initial Advanced Payment (if applicable) or the Matching Funds.
- Payment is conditioned on verification by DHCD of Grantee's compliance with the terms of this Agreement. Following DHCD'S review and approval of Grantee's Request for Payment and DHCD'S verification that Grantee fully expended the Initial Advanced Payment (if applicable), DHCD shall disburse the remaining Grant Funds to Grantee.







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# PAYMENT REQUEST

- Grantee name, amount, invoice number, and date must be completed at the top.
- Item and approved budget columns should match CCG Operating Budget.
- Reimbursement Payment:
  - Proof of payment itemized in accordance with the Approved Budget, along with approved payroll, invoices, purchase orders, contracts, work product, printed materials, reports or any other information necessary to support the Reimbursement Request for Payment and the previous advanced payment (if applicable).
- \*\*Advanced Payment\*\*:
  - On a case by case basis.

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# PAYMENT PROCESSING

In order to be paid, your organization **MUST** be a Vendor within the payment system. To become a Vendor, you must submit a W-9 form.

## Payment Options:

- Check payment (default option) or Electronic Funds Transfer (EFT)

If EFT payment is desired, please be sure that grantee has a “**Vendor Payments and Electronic Funds Transfer Form**” on file with Bureau of Accounting & Payroll Services (BAPS). This form can be requested and submitted to [City-payables@baltimorecity.gov](mailto:City-payables@baltimorecity.gov).

*\*Grantor cannot request on grantee’s behalf.*



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## Steps after BOE Approval

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# PAYMENT REQUEST SUBMISSION

- Payment Request:
  - **Cannot** be submitted or paid until after BOE approval of AHTF agreement.
  - Final payment request can be submitted once all Advanced Payment funds (if applicable) are spent.
  - Reimbursements must include all supporting documentation.
  - Must be signed by all parties including Fiscal agent (if applicable)

# REPORTING

- **Final Report:** Within thirty (30) days of the Termination Date or earlier termination of this Agreement, Grantee shall submit to the City a final report, indicating all invoices, expenditures, rent roll, lease up plan, AMI requirements and activities.
- **Annual Reporting Requirements for Rental Projects:**
  - Copy of Rent Roll
  - Copy of Lease Up Plans
  - Proof of Tenant AMI Requirements
  - Copy of Multi Family Dwelling License
  - Copy of Each New Lease
  - Copy of Lease Amendments/Renewal Leases
- **Community Land Trust Homeownership Projects:**
  - Restrictive Covenant is filed in Land Records for 30 years



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# Questions?





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## Contact Information

### **Affordable Housing Trust Fund Team**

- John Mobley- Project [Manager-John.mobley@baltimorecity.gov](mailto:Manager-John.mobley@baltimorecity.gov)
- Stephani Estrada-EL- Project Coordinator- [Stephani.Estrada.el@baltimorecity.gov](mailto:Stephani.Estrada.el@baltimorecity.gov)
- Ebony Rector-Project Coordinator- [Ebony.Rector@baltimorecity.gov](mailto:Ebony.Rector@baltimorecity.gov)

### **Baltimore City Law Department**

- Hana Rose Kondratyuk- Chief Solicitor - [Hana.Kondratyuk@baltimorecity.gov](mailto:Hana.Kondratyuk@baltimorecity.gov)

### **Minority & Women's Business Opportunity Office**

- Christopher R. Lundy, Esq., Chief of MWBOO- [Christopher.lundy@baltimorecity.gov](mailto:Christopher.lundy@baltimorecity.gov)

### **Department of Finance**

- Charmane McDaniel- Insurance and Risk Finance Manager- [Charmane.McDaniel@baltimorecity.gov](mailto:Charmane.McDaniel@baltimorecity.gov)

### **Department of Housing & Community Development Fiscal Team**

- Jasmine Armstrong- Accounting II- [Jasmine.Armstrong@baltimorecity.gov](mailto:Jasmine.Armstrong@baltimorecity.gov)

### **Local Hiring Department**

- John Ford- Local Hiring Law Project and Initiatives Specialist - [jford@oedworks.com](mailto:jford@oedworks.com)



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**THANKS!**



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