



BALTIMORE CITY  
DEPARTMENT OF HOUSING &  
COMMUNITY DEVELOPMENT

## AFFORDABLE HOUSING TRUST FUND ANNUAL REPORT



**DHCD Fiscal Year  
2020**  
(July 1, 2019 - June 30, 2020)



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## Introduction

The Baltimore Affordable Housing Trust Fund (Trust Fund) was created through voter referendum in November 2016. City voters approved a Charter Amendment to create the Affordable Housing Trust Fund. Article I, Section 14 of the City Charter establishes the Trust Fund, sources of revenue, administration and oversight, membership and roles and responsibilities of the Commission, income requirements, permitted uses, and affordability periods under the City of Baltimore Department of Housing and Community Development (DHCD). In 2018 legislation was approved to create a dedicated source of funds for the Trust Fund. The Trust Fund receives its primary income from Excise and Transfer taxes as well as financial contributions from the City of Baltimore. All contributions are restricted for the development, preservation and assistance to support very-low and extremely low-income households.

The Charter requires that all revenue of the Affordable Housing Trust Fund be used to help those with incomes at or below 50 percent of the Area Median Income (AMI) as established by the Department of Housing and Urban Development (HUD) and that at least half of the funds be used to help those with incomes at or below 30 percent of the Area Median Income.

Per the Charter, the Affordable Housing Trust Fund Commission members are appointed by the Mayor and confirmed by the City Council. The Charter also defines the following duties of the Commission.

The Commission shall:

- i. Make recommendations, advise, and consult with the Department of Housing and Community Development regarding the establishment of essential policies, rules, and regulations relating to the implementation, expenditures, and ongoing operation of the Trust Fund;
- ii. Submit an annual report to the Mayor and City Council on the activities and usage of the funds in the Trust Fund, including tenure (rental and homeownership), income level served, {and} unit size (number of bedrooms), and make the report available to the public;
- iii. If necessary, recommend changes to the trust fund to maximize affordability outcomes of the Trust Fund, to the Mayor and City Council;
- iv. Ensure an audit of the fund every four years by a certified public accounting firm; and
- v. Exercise any additional duty related to the Trust Fund as directed by the Mayor and City Council.

To review the current Spending Priorities as approved by the Commission please visit:

<https://dhcd.baltimorecity.gov/allocation-available-trust-funds>



**City of Baltimore**  
**Affordable Housing Trust Fund**  
**Statement of Revenues Expenditures & Changes in Net Assets**

**Fiscal Year 2020**  
 July 1, 2019 - June 30, 2020

<b>Revenue</b>	<b>Unallocated</b>	<b>Committed</b>	<b>Total</b>
Operating (Tax Revenue)	\$ 6,255,266	\$ -	\$ 6,255,266
Capital (*COB Bonds)	\$ 2,000,000	\$ -	\$ 2,000,000
Public Contributions		\$ -	\$ -
**Other	\$ 12,352	\$ -	\$ 12,352
<b>Total Revenue</b>	<b>\$ 8,267,617</b>	<b>\$ -</b>	<b>\$ 8,267,617</b>
<b>Expenditures</b>			
	<b>Unallocated</b>	<b>Committed</b>	<b>Total</b>
Program Services	\$ -	\$ (395,000)	\$ (395,000)
Supporting Services	\$ (100,000)	\$ -	\$ (100,000)
Management	\$ (165,449)	\$ -	\$ (165,449)
<b>Total Expenditures</b>	<b>\$ (265,449)</b>	<b>\$ (395,000)</b>	<b>\$ (660,449)</b>
<b>Changes in Net Assets</b>			
	<b>Unallocated</b>	<b>Committed</b>	<b>Total</b>
Net Assets Without Donor Restrictions, Beginning	\$ 4,460,365	\$ -	\$ 4,460,365
Change in Net Assets Without Donor Restrictions During FY20	\$ 8,002,168	\$ (395,000)	\$ 7,607,168
<b>Net Assets Without Donor Restrictions, Ending FY20</b>	<b>\$ 12,462,533</b>	<b>\$ (395,000)</b>	<b>\$ 12,067,533</b>
*COB: City of Baltimore			
**Other: See notes below on Significant Accounting Policies			

**Definitions**

- Unallocated: “Unallocated” funds have not been spent or conditionally allocated to a particular expenditure at the time of the annual report date.
- Committed: “Committed” funds have been conditionally awarded, subject to approval by the City of Baltimore’s Board of Estimates (BOE).



**City of Baltimore**  
**Affordable Housing Trust Fund**  
**Statement of Functional Expenditures**  
**Fiscal Year 2020**

July 1, 2019 - June 30, 2020

	<u>Program Services</u>	<u>Management</u>	<u>Support Services</u>	<u>Total</u>
Accounting Services				\$ -
Advertising Fees				\$ -
Advocacy Services				\$ -
Applicant Awards Expenditure				\$ -
Appraisal Expenditures				\$ -
Computer Expenditure				\$ -
Conference Expenditure				\$ -
Consultant Expenditure				\$ -
Coupons (Parking)		\$ (80)		\$ (80)
Depreciation Expenditure				\$ -
Dues and Subscriptions				\$ -
Escrow Services				\$ -
Employee Training		\$ (630)		\$ (630)
ID Cards		\$ (30)		\$ (30)
Insurance				\$ -
Lease Expenditure				\$ -
License Fees				\$ -
Supplies Expenditure				\$ -
Marketing and Communication				\$ -
Office Expenditure				\$ -
Personnel - Payroll Accrual		\$ (23,667)		\$ (23,667)
Postage				\$ -
Professional Fees			\$ (6,755)	\$ (6,755)
Personnel Costs		\$ (155,670)		\$ (155,670)
RCLS Admin Costs		\$ 21,383		\$ 21,383
Real Estate Services				\$ -
Rental Expenditure				\$ -
Telephone Expenditure				\$ -
Training	\$ -			\$ -
<b>Total Expenditure</b>	<b>\$ -</b>	<b>\$ (158,694)</b>	<b>\$ (6,755)</b>	<b>\$ (165,449)</b>

**City of Baltimore**  
**Affordable Housing Trust Fund**  
**Statement of Financial Position**

**Fiscal Year 2020**  
**July 1, 2019 - June 30, 2020**

**ASSETS**

**Current Assets:**

Cash and Cash Equivalents	\$ 12,462,533
Investments	
Prepaid Deposits	
<b>Total Current Assets</b>	<b>\$ 12,462,533</b>

**Non-Current Assets:**

Accrued Interest	
Notes Receivable	
Settlement Receivable	
Property and Equipment, Net of Accumulated Depreciation	
<b>Total Non-Current Assets</b>	<b>\$ -</b>
<b>Total Assets</b>	<b>\$ 12,462,533</b>

**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Funding Commitments	\$ 395,000
**Other	\$ 12,352
<b>Total Current Liabilities and Non-Current Liabilities</b>	<b>\$ 407,352</b>
<b>Total Liabilities</b>	<b>\$ 407,352</b>

**Net Assets:**

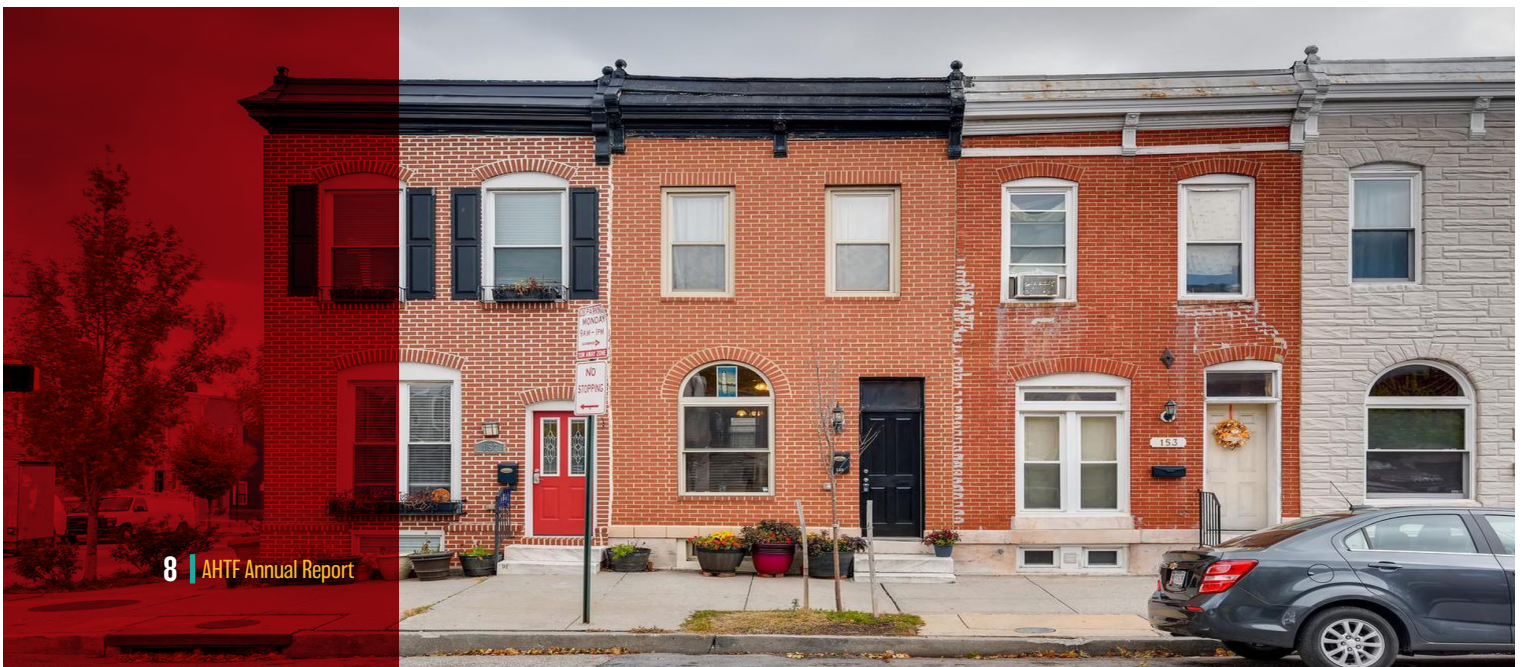
Net Assets	\$ 12,055,181
<b>Total Net Assets</b>	<b>\$ 12,055,181</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 12,462,533</b>

\*\*Other: See notes below on Significant Accounting Policies

**City of Baltimore**  
**Affordable Housing Trust Fund**  
**Statement of Changes in Fund Balances**  
**Fiscal Year 2020**

Revenue		2019	2020	Total
Operating (Tax Revenue)		\$ 2,460,360	\$ 6,255,266	\$ 8,715,625
Capital (*COB Bonds)		\$ 2,000,000	\$ 2,000,000	\$ 4,000,000
Public Contributions		\$ 5		\$ 5
**Other			\$ 12,352	\$ 12,352
<b>Grand Total</b>		<b>\$ 4,460,365</b>	<b>\$ 8,267,617</b>	<b>\$ 12,727,982</b>
Expenditures		2019	2020	Total
Operating (Tax Revenue)			\$ (165,449)	\$ (165,449)
Capital (*COB Bonds)			\$ (100,000)	\$ (100,000)
<b>Grand Total</b>			<b>\$ (265,449)</b>	<b>\$ (265,449)</b>
Fund Balances		2019	2020	Total
Operating (Tax Revenue)		\$ 2,460,360	\$ 6,089,817	\$ 8,550,176
Capital (*COB Bonds)		\$ 2,000,000	\$ 1,900,000	\$ 3,900,000
Public Contributions		\$ 5		\$ 5
**Other			\$ 12,352	\$ 12,352
<b>Grand Total Balance</b>		<b>\$ 4,460,365</b>	<b>\$ 8,002,168</b>	<b>\$ 12,462,533</b>

\*COB Bonds: City of Baltimore  
\*\*Other: See notes below on Significant Accounting Policies





# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

## Cash and Cash Equivalents

For the purpose of recording cash flows, the Trust Fund considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. As of June 30, 2020, the Trust Fund had balances of \$12,462,533 which includes the cash and money market balances held by the City of Baltimore in the investment account.

## Financial Statement Presentation

The Trust Fund follows all City of Baltimore accounting guidelines established and maintained by the Baltimore City Comprehensive Annual Financial Reports (CAFR). The CAFR rules, guidelines, reports and definitions are available for your review on the City of Baltimore, Department of Audits, Comptroller's website located here: <https://comptroller.baltimorecity.gov/audits/reports>.

## Liabilities

Liabilities are categorized as funding commitments made but not yet paid and as other less clear transactions. Currently the Affordable Housing Trust Fund has unpaid award commitments of \$395,000 and Other Revenue of \$12,352.

## Other Revenue

The \$12,352 of Other Revenue shown above in the liabilities section of the balance sheet is the result of a refund to the Trust Fund from February 2020 that is still being researched by the departmental accounting team. This refund has been listed as a liability as it may require a repayment and correction in future dates. This Other Revenue amount should remain as a liability until the funds are confirmed as correct in the AHTF revenue account.



## Funding Commitments

- In September 2019, the Department awarded Charm City Land Trust, a Maryland nonprofit corporation, \$150,000 to develop perpetually affordable Housing in the City of Baltimore. This agreement is subject to approval by the Baltimore City Board of Estimates. The Charm City Land Trust is organized and operated for the charitable purposes of its Members. Charm City Land Trust will further the charitable purposes of its Members by providing affordable homeownership opportunities to eligible households. As of June 30, 2020, the Trust Fund has not made any capital contributions or completed any distributions for this agreement.
- In September 2019, the Department awarded Cherry Hill Community Development Corporation, a Maryland nonprofit corporation, \$245,000 to develop perpetually affordable Housing in the City of Baltimore. This agreement is subject to approval by the Baltimore City Board of Estimates. The Cherry Hill Community Development Corporation is organized and operated for the charitable purposes of its Members. Cherry Hill Community Development Corporation will further the charitable purposes of its Members by providing affordable homeownership opportunities to eligible households. As of June 30, 2020, the Trust Fund has not made any capital contributions or completed any distributions for this agreement.

## Subsequent Event Disclosures

The Department of Housing and Community Development Staff has evaluated subsequent events relevant for reporting through June 30, 2020. All known relevant information has been included in the annual report and notes above.

## AHTF Monthly PowerPoint Presentation

[June 2020 AHTF Commission Meeting - Financial Update Presentation \(PDF\)](#)

