



# Maryland

## DEPARTMENT OF PLANNING

### Maryland Department of Planning Fiscal Year 2025 Capital Budget Response to Department of Legislative Services Analysis

Senate Budget & Taxation Committee – Capital Budget Subcommittee  
Senator Craig J. Zucker, Chair  
February 20, 2024

House Appropriations Committee – Capital Budget Subcommittee  
Delegate Mark S. Chang, Chair  
February 19, 2024

#### **PAYGO Recommended Actions**

1. Concur with Governor's allowance.

**Planning Response:** Concur

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

2. Approve authorization for MDP.

**Planning Response:** Concur

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

- ***Impact of Authorized Fund Transfer: MDP should brief the committees on the timing of the transfer and what role the department and MHT will serve in ensuring the funds are used in accordance with the State's preservation goals.***

**Planning Response:** Applications for loans or transfers for FY2024 were due to MHT in mid-January. MHT received one application, which was for a transfer. If the applicant is determined eligible as a "qualified cooperating nonprofit organization" and the costs and activities are also eligible, MHT will evaluate the application according to the selection criteria and make a recommendation to the MHT Board of Trustees and Secretary. (BPW approval is not required since the FY2024 appropriation is entirely Special Funds.) If the application is approved, the transfer will occur before the end of FY2024.

MHT has worked to develop an application and regulations (pending) which will ensure that the funds are used in accordance with the statute and in accordance with preservation best practices.

The qualified cooperating nonprofit organization receiving the transfer funds must complete an application which includes the following information:

- Documentation that the applicant has demonstrated experience rehabilitating historic structures, managing preservation funds, and holding preservation easements.
- Resumes of staff members who will administer funds and oversee rehabilitation projects (demonstrating they meet the Secretary of the Interior's Professional Qualifications Standards).
- Project budget; source and use of non-MHT funds for the project.
- General criteria for selection of properties to acquire / rehabilitate / assist with transfer funds, including their designation / listing status, if known.
- Project implementation schedule.
- Description of how the funds from MHT will assist the applicant in meeting its own mission and goals, building capacity in the applicant organization and other organizations, stimulating or promoting other preservation activities and partnerships, and advancing the preservation of diverse historic resources across the State.

The application and regulations also stipulate the following requirements:

- There will be a transfer agreement between MHT and the Transferee, similar to MHT's grant agreements, which will stipulate the use of the funds.
- A Transferee receiving a transfer to make their own loans will, in coordination with the MHT Director and staff, adopt appropriate guidelines to carry out their own loan program, which must include a competitive process for awards.
- A Transferee shall provide an annual report to MHT outlining all funds transferred to it, describing how proceeds of a transfer were expended, and confirming that the funds were used for their intended purpose and in compliance with the program regulations.
- At MHT's request, Transferee shall provide a copy of the organization's annual financial review or audit.
- MHT must review and approve the plans and specifications for projects involving a Transferee's rehabilitation and restoration of its own property for resale or lease, and all work shall comply with the Secretary of the Interior's Standards for the Treatment of Historic Properties as well as any other applicable standards and requirements established by MHT.
- The Transferee, as a condition of the sale or lease of historic property that it has acquired, restored, or rehabilitated with proceeds of a transfer, shall require the purchaser or lessee to enter into an easement or preservation agreement held by MHT or the Transferee.