

NCSHA 2012 Awards

Category: Special Needs Housing
Sub-Category: Housing for Persons with Special Needs
Entry Name: The Weinberg Partnership

Overview

The Maryland Department of Housing and Community Development has entered into an agreement with the Harry and Jeanette Weinberg Foundation, one of the largest private philanthropic organizations in the country, to expand the supply of quality, service-enriched rental housing available to extremely low-income disabled households. With \$1 million funding from the Weinberg Foundation, this initiative also includes close collaboration with the Maryland Department of Health and Mental Hygiene, as well as the Maryland Department of Disabilities.

Background on Need for Housing for People with Disabilities

From 2010 - 2015, Maryland faces an overall shortage of 130,315 affordable rental housing units, including 28,993 units for persons with disabilities. DHCD finances approximately 2,600 rental units annually, serving households at 30 percent to 60 percent of Area Median Income, with the lowest rents ranging from \$365 per month in rural areas to \$543 per month in the areas surrounding Washington DC, to \$432 per month in Baltimore City for single person households.

However, even these lowest rents are not affordable to disabled households living on Supplemental Security Income, which is \$8,088 per year (14 percent of AMI for one person). This translates to an affordable rent of \$202/month, based on a 30 percent shelter cost.

Response

The Weinberg Foundation will provide \$1 million over two years to be used as grant funds to cover capital costs in developments receiving DHCD financing. The department will refer interested nonprofit owners of projects receiving DHCD funding awards to the Weinberg Foundation for consideration. The foundation, in coordination with DHCD, will determine the number of "Weinberg Apartments" within the development, which is expected to be five to ten percent of the total units. Once the foundation approves a property, it will transfer its funding to DHCD which will be responsible for closing the financing, disbursing the funds for construction, and monitoring the project for compliance with the long-term Weinberg unit requirements. The first Weinberg units are expected to be available for occupancy in late 2012.

Weinberg units will house nonelderly disabled households at 15 percent to 30 percent AMI who pay 30 percent of their income for rent. Maryland's health department will qualify eligible disabled households

Maryland Department of Housing and Community Development
The Weinberg Partnership

and refer tenants to the units on lease-up and turnover. DHCD will work with the health department and disability department on a referral process similar to that of the Bridge Subsidy Demonstration Program to ensure that the units are made available to very-low income persons with a range of disabilities who are prepared and ready to be successful living independently. The Bridge Subsidy Demonstration Program assisted persons with disabilities to live independently by providing short-term rental assistance while the person awaited permanent housing assistance, generally a federal housing choice voucher. State-funded at \$2.1 million, the Bridge Program assisted 110 persons with disabilities.

DHCD and Weinberg bring together complementary skills and resources to ensure affordable long-term independent housing for persons with disabilities. This coordinated approach includes the following key steps:

- MDHCD Makes Reservation of its Resources in accordance with existing processes;
- After Reservation, DHCD shares with owner “Weinberg Foundation Apartment” capital funding opportunity and requirements;
- If applicant is interested, DHCD forwards necessary paperwork to the foundation;
- Weinberg completes its due diligence and notifies DHCD and applicant of decision – including amount of funding and number of units;
- DHCD maintains its existing funding levels and underwrites financing in cooperation with other lenders to ensure “Weinberg Foundation Apartments” are income, rent, and occupancy-restricted for households receiving SSI or disability assistance. Foundation funding fills “gap” created by lowering rent levels to 15 percent to 30 percent AMI;
- DHCD follows its typical draw and cost-certification process during construction;
- The property is registered on www.MDhousingsearch.org and DHCD, the Department of Disabilities and the Department of Health and Mental Hygiene work with management companies to ensure residents are referred and units are occupied in accordance with requirements
- DHCD handles ongoing compliance monitoring using existing procedures, updated to reflect Weinberg restrictions, including:
 - Regulatory agreements that run with the land for 40 years
 - Annual MDHCD monitoring for financial and physical health, as well as regulatory compliance with disability and income restrictions
 - Additional compliance monitoring in accordance with IRC federal Low Income Housing Tax Credit Program requirements
 - Penalties ranging from reporting to IRS to MDHCD “report cards” resulting in bans or restrictions on future business with MDHCD.

Impact

The Weinberg Partnership has had an impact beyond the units created with the \$1 million. It provided and continues to provide the impetus for continued collaboration among the state departments of housing, health and disabilities. This collaboration resulted in the Department of Health and Mental Hygiene's success in obtaining a \$330,000 grant under the Centers for Medicare and Medicaid Real Systems Change Grant: Building Sustainable Partnerships for Housing. The grant provided support for Maryland to prepare to compete for the federal funding made available by HUD under its Section 811 Project Rental Assistance Demonstration Program. The work done to implement the Weinberg Partnership coupled with the work done under the CMS grant positions DHCD and Maryland to submit a very competitive Section 811 application due July 31, 2012. Another benefit is the continuing communication between the state agencies and the Weinberg Foundation. Weinberg's staff takes an active role in the review of the proposed Weinberg apartments and has indicated the foundation's interest in continuing the partnership with additional funding. We've also been able to point to the public-philanthropic partnership as we speak with other foundations about partnership opportunities.

The first project closed in June 2012. The Foxtail Crossing II project is the new construction of nine buildings containing 48 townhouses that will be rented to low- and moderate-income families with transition to homeownership after Year 15. The townhouses are one and two stories with garages. The floor plans include two, three, and four bedrooms with either two or two and a half bathrooms. In addition, there will be one freestanding community center with a leasing office. Units will be available for families with incomes at or below 60% of the Area Median Income or \$43,560 for a four-person household. Because of the generosity of The Harry and Jeanette Weinberg Foundation, two one-story, two-bedroom units of the 48 townhouses will remain as rentals and made available for disabled households whose income fall between 15 percent and 30 percent of the Area Median Income; these households will be referred by the Maryland Department of Health and Mental Hygiene.

Project financing include \$11.9 million in equity raised from the syndication of \$1,345,585 in federal Low Income Tax Credits, \$1.4 million in state-appropriated Rental Housing Funds, \$140,000 in funding under the Weinberg Partnership, and a deferred developer's fee in the amount of \$250,015.

The construction of this affordable lease- to- purchase community will provide stability to the immediate neighborhood and be a valuable housing asset for the City of Cambridge. Financing provided by DHCD coupled with the funding from the Harry and Jeanette Weinberg Foundation will enable persons with disabilities at SSI level incomes to live in accessible, quality homes integrated into a vibrant setting with easy access to services; a win-win for the City of Cambridge and the State of Maryland. But for the innovative public-philanthropic partnership among DHCD, the Weinberg Foundation and DHMH, these units would not be available to persons with disabilities and DHCD would not be able to extend similar opportunities throughout the state.

COMMUNITY REVIEW

The Official Blog of DHCD



... ensuring that all Maryland Citizens have the opportunity to live and prosper in affordable, desirable and secure housing in thriving communities.



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Maryland Will Work With Weinberg Foundation to Increase Rental Housing Options for Persons With Disabilities

Posted on [May 9, 2011](#)

MAY 9

Annapolis, MD – Flanked by Weinberg Foundation Chairman Donn Weinberg, Governor Martin O'Malley announced the Affordable Rental Housing Opportunities for Persons with Disabilities initiative, which includes Weinberg Foundation funding of \$1 million. [Learn more](#) about the governor's announcement.



"The most vulnerable in our society are the hardest hit during challenging economic times such as this one. As you can imagine, there is great demand for affordable housing for people with disabilities," Governor O'Malley said. "The public-private partnership that we celebrate today moves us closer to our goal of increasing independent affordable rental housing opportunities for our friends and neighbors who live with a disability."

"This grant permits the State of Maryland to begin to fill a gap in the coverage of housing programs designed to benefit low income individuals, by helping some 'very' low income disabled individuals," said Donn Weinberg, [Weinberg Foundation](#) Chairman of the Board.

Maryland faces a shortage of more than 126,833 affordable rental housing units over the next four years, including a need for 28,782 units for persons with disabilities.

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The Harry and Jeanette Weinberg Foundation, Inc.

FOR IMMEDIATE RELEASE

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**The Harry and Jeanette Weinberg Foundation Announces
Partnership with State of Maryland to Increase Rental Housing
Options for Persons with Disabilities**

\$1 million investment over two years to promote independent living

BALTIMORE (May 9, 2011) – The Harry and Jeanette Weinberg Foundation, one of the largest private foundations in the United States, today celebrated its partnership with the State of Maryland in announcing the “Affordable Rental Housing Opportunities for Persons with Disabilities” initiative. The joint venture with the Weinberg Foundation, the first of its kind in the nation, was facilitated by the Maryland Department of Disabilities and includes the Maryland Departments of Housing and Community Development (DHCD) and Health and Mental Hygiene. Under a Memorandum of Understanding, the Weinberg Foundation and these state departments will work together to finance affordable, quality, independent, integrated housing opportunities throughout Maryland for very low-income persons with disabilities who meet certain eligibility criteria.

The Harry and Jeanette Weinberg Foundation has committed a \$1 million capital grant to this landmark program for the creation of new rental housing for persons with disabilities who receive either Supplemental Security Income (SSI) or Supplemental Security Disability Income (SSDI) from Social Security.

“This grant permits the State of Maryland to begin to fill a gap in the coverage of housing programs designed to benefit low-income individuals, by helping some ‘very’ low-income disabled individuals,” said Donn Weinberg, Weinberg Foundation Chairman of the Board. “Although this grant will help only a small percentage of this community, it is a much-needed beginning – a down-payment, if you will, on what we hope can become a trend in our state and our nation. The Foundation is proud to be seen as a national leader in housing for people with disabilities.”

Maryland’s DHCD will refer interested nonprofit owners of projects receiving DHCD funding awards to the Weinberg Foundation for consideration. The Foundation, in coordination with DHCD, will determine the number of “Weinberg Apartments” within the development, which is expected to be five to ten percent of the total units.

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Governor Announces State Partnership with Weinberg Foundation to Increase Rental Housing Options for Persons with Disabilities

Weinberg Foundation to invest \$1 million over two years - independent living is focus of grant

CROWNSVILLE, MD (May 9, 2011) – Flanked by Weinberg Foundation Chairman Donn Weinberg, Governor Martin O'Malley today announced the "Affordable Rental Housing Opportunities for Persons with Disabilities" initiative which includes Weinberg Foundation funding of \$1 million. The joint venture with the Weinberg Foundation was facilitated by the Maryland Department of Disabilities (MDOD) and includes the Maryland Departments of Housing and Community Development (DHCD) and Health and Mental Hygiene (DHMH). Under a Memorandum of Understanding, the Weinberg Foundation and the state departments will work together to finance affordable, quality, independent, integrated housing opportunities for very low income persons with disabilities who meet certain eligibility criteria.

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"Our history with the Weinberg Foundation has been a productive one as evidenced by our work together on the Weinberg Manor and Village projects as well as Dayspring," said DHCD Secretary Raymond A. Skinner. "We applaud their commitment to the concept of independent living for people with disabilities and, also, anticipate that this partnership will position Maryland to be competitive for the U.S. Department of Housing and Urban Development's new Section 811 program funding in 2012."

"A solid home environment can be the foundation for a better life," says Dr. Joshua M. Sharfstein, Secretary of DHMH. "These affordable housing opportunities will change lives and communities for the better."

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Maryland Department of Housing and Community Development
The Weinberg Partnership

The Maryland Department of Housing and Community Development works with partners to finance housing opportunities and revitalize great places for Maryland citizens to live, work and prosper. To learn more about DHCD programs, log on to www.mdhousing.org.

News updates also are available by following DHCD on Twitter (www.twitter.com/MDHousing) and Facebook (www.facebook.com/marylandhousing).

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