CITC Policy & Application Guide

Maryland Department of Housing and Community Development

Community Investment Tax Credit Program

Fiscal Year 2027

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Introduction

The Community Investment Tax Credit (CITC) program supports 501(c)(3) nonprofit organizations by allocating Maryland State Tax Credits for use as incentives to attract contributions from individuals and businesses to benefit local projects and services.

Community Investment Tax Credits complement other State funding programs that offer resources to assist communities with revitalization efforts. Established in 1996 at $1,000,000 annually and later increased to $1,750,000 to accommodate real estate donations, the program has leveraged nearly $34 million in charitable contributions to approximately 845 projects across Maryland.

As part of the annual, competitive application process, 501(c)(3) nonprofit organizations can apply for Tax Credits to support a program or project that reflects Maryland's and the organization's neighborhood revitalization, community, and economic development goals.

Businesses and individuals that donate $500 or more to a qualified organization's approved program or project can earn tax credits equal to 50% of the value of the money, goods or real property contribution. Individuals or businesses contemplating making a donation are encouraged to consult with their accountant or tax professional for information about their specific tax benefits.

Visit GIVE MD for information on specific projects and donate now to nonprofits that have available tax credits.

Priorities

The Department strives for all Marylanders to live, work and prosper in communities that are affordable, lovable and just. Great places–lovable places–result from consistent targeted investment in locally-driven community reinvestment planning.

To support the core objectives of DHCD, the Division of Neighborhood Revitalization will prioritize revitalization projects that are part of a strategic community plan to:

- Increase the production of mixed-income, middle-market and affordable housing, particularly near transit. DHCD is interested in supporting innovative development approaches—such as modular and off-site construction—to accelerate housing production.
- Increase household and generational wealth building through homeownership, legacy homeowner renovations, and small business development.
- Accelerate the elimination of vacant properties, particularly in Baltimore City.

- Create safer, more appealing public spaces and community facilities that expand access to community services and strengthen neighborhood cohesion.
- Revitalize Maryland's diverse Main Streets, downtowns and commercial cores through projects that: enhance their unique physical, visual, and historic character; improve economic vitality by supporting existing businesses and attracting new ones; and helping small businesses and entrepreneurs connect to resources.

Additional Consideration

The Department will give additional consideration to projects that address the overarching priorities of the Moore-Miller Administration, including projects that:

- Invest in designated Engaging Neighborhoods, Organizations, Unions, Governments and Households (ENOUGH) areas, which represent rural, suburban and urban communities that have been historically impacted by barriers to economic mobility.
- Invest in designated Just Communities where all Marylanders, regardless of background, have access to fair housing and economic stability and opportunity, righting the wrongs of the past.

More details on the Moore-Miller administration priorities and community development revitalization programs can be found on: The DHCD Community Development Landing Page.

Policy Guide Revision History

Release	Revisions
Version 1 - May 2026	N/A

Section 1: CITC Program Information & Eligibility Requirements

Organizations Eligible to Apply for & Receive Tax Credits

1. Eligible applicants must be IRS certified 501(c)3 nonprofit organizations with supporting documentation and must remain certified in order to use credits.
2. Eligible 501(c)3 nonprofit organizations support initiatives in and/or are serving Priority Funding Areas.
3. Organizations must be in good standing with the Maryland Department of Assessments and Taxation and must remain in good standing in order to use credits.
4. Organizations must be registered with the Maryland Secretary of State's office as a Maryland charitable organization.

Organization and Program/Project Eligible Geography

Priority Funding Areas with special consideration given to Sustainable Communities Areas.

Program/Project Activities

Programs/Projects can be capital and/or operating and may involve activities such as:

1. Housing and Community Development
2. Enhancing Neighborhoods and Business Districts
3. Economic Development and Tourism Promotion
4. Arts, Culture and Historic Preservation
5. Technical Assistance and Capacity Building
6. Job and Self-Sufficiency Training
7. Education and Youth Services
8. Services for At-Risk Populations

Award Details

Applicants may be awarded up to $100,000 in Community Investment Tax Credits.

Match Requirement

CITC does not require a match for award requests.

Performance Period

The FY2027 two-year award period begins January 1, 2027, and ends on December 31, 2028.

Eligible CITC Donors

Eligible donors contribute directly to nonprofits that have an award of Community Investment Tax Credits. By making a charitable contribution to a CITC Awardee, individuals and businesses

can reduce their Maryland tax liability, help a local nonprofit organization achieve an essential community goal, and make a targeted impact in their community. Eligible donors include:

1. Individuals: Any person or fiduciary with a personal tax liability within the State of Maryland.
2. Businesses: Any entity conducting trade or business in Maryland that is subject to State individual or corporate income tax, the public service company franchise tax, or the insurance premiums tax.

Ineligible CITC Donors

All eligible donors are required to possess a Maryland State Tax Liability; consequently, the following donor categories are ineligible to receive Community Investment Tax Credits.

1. A Donor Advised Fund
2. A Family Fund or Foundation
3. Any 501(c)3 tax-exempt organization or foundation
4. Government Funders

Contributions

1. Types of Eligible Contributions:
    a. Monetary contributions in the form of a check, credit card charge, electronic transfer, online giving tool, gifts of stock or securities, and Individual Retirement Account (IRA) Qualified Charitable Distribution (QCD).
    b. Contributions of new and used goods
    c. Contributions of real estate are eligible as long as the property being donated is identified at the time of the application.
2. Maximum/Minimum Contribution from Business or Individual: A business or an individual may not receive state tax credits for more than $250,000 in a taxable year through the CITC Program. A business or an individual must donate at least $500 in a taxable year to receive state tax credits through the CITC Program.

Donor Use of Tax Credits:

Individuals and businesses must use the tax credits against Maryland State taxes owed for the year in which the contribution was made and may not be used retroactively for taxes from a prior year. Any remaining tax credits from the donation year can be used for up to five subsequent years. Individuals or businesses contemplating making a donation are encouraged to consult with their accountant or tax professional for information about their specific tax benefits.

Section 2: Application Eligibility

1. Application Threshold Requirements
    a. To be eligible, current CITC awardees must be in full compliance with all existing DHCD award legal agreements. This includes meeting all reporting deadlines and submitting all required final reports, Tax Credit Certification requests, and payment requests from prior awards. Contact the project manager to confirm your organization's standing before applying.
    b. The following application requirements must be met before applications will be considered:
        - The application shall be complete and provide all required documentation.
        - The proposed project or program shall be consistent with CITC's purpose and eligible under the regulations and guidelines.
        - The application shall clearly identify the Priority Funding Area in which the project/program will operate. It will include a map of this area or areas. The map will clearly delineate the location of the project and the primary service area. (Domestic violence shelters are exempt from revealing the address on the map or elsewhere in the application.)
        - The applicant is a 501(c)3 organization. It may not be primarily a religious organization but may be an entity established by a religious organization. The project service must be provided with no preference or indoctrination regarding religious affiliation.

Section 3: Application Process

Initiating an Application

1. The CITC application is available online via the DHCD Project Portal.
2. All applications must be submitted online through the DHCD Project Portal. No paper applications will be accepted.
3. To access the application and apply, at least one person from the Applicant Organization must be a registered user in the DHCD Project Portal.
4. If the organization does not have a registered user, when opening up the DHCD's Project Portal, select "New User?" and complete the registration request form. Requests for registration may take up to 72 hours to be approved.
5. Last day to initiate a new application is July 7, 2026 at 4:59 PM.
6. For system access support, please contact nrsystemsupport.dhcd@maryland.gov.

FY27 Application Period

1. Application Opens: June 2, 2026 8:30 am (EDT)
2. Application Closes: July 14, 2026 at 3:00 pm (EDT)
3. Late applications will not be accepted.

Application Training

Application training will be offered via webinar. See the Community Investment Tax Credits Program webpage for more information and training documents. Once the training webinar is complete, a training recording and step-by-step application instructions will be posted.

Section 4: Application Review

Application Scoring

1. Applications will be evaluated using a 100-point scoring scale that reflects the overall strength and readiness of the application.
2. Priority Area Bonus Points: Bonus points are applied in addition to the overall application score and do not replace or override the evaluation of application quality.
    a. Projects located in ENOUGH areas may receive up to 10 bonus points.
    b. Projects located in Just Communities areas will receive 10 bonus points.
    c. Projects submitted by Main Street Maryland or Baltimore City Main Street organizations will receive 5 bonus points.

Priorities

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To support the core objectives of DHCD, the Division of Neighborhood Revitalization will prioritize revitalization projects that are part of a strategic community plan to:

1. Increase the production of mixed-income, middle-market and affordable housing, particularly near transit. DHCD is interested in supporting innovative development approaches—such as modular and off-site construction—to accelerate housing production.
2. Increase household and generational wealth building through homeownership, legacy homeowner renovations, and small business development.
3. Accelerate the elimination of vacant properties, particularly in Baltimore City.
4. Create safer, more appealing public spaces and community facilities that expand access to community services and strengthen neighborhood cohesion.

5. Revitalize Maryland's diverse Main Streets, downtowns and commercial cores through projects that: enhance their unique physical, visual, and historic character; improve economic vitality by supporting existing businesses and attracting new ones; and helping small businesses and entrepreneurs connect to resources.

Additional Consideration

The Department will give additional consideration to projects that address the overarching priorities of the Moore-Miller Administration, including projects that:

1. Invest in designated Engaging Neighborhoods, Organizations, Unions, Governments and Households (ENOUGH) areas, which represent rural, suburban and urban communities that have been historically impacted by barriers to economic mobility.
2. Invest in designated Just Communities where all Marylanders, regardless of background, have access to fair housing and economic stability and opportunity, righting the wrongs of the past.

Site Visits and Follow-up Discussion

During the application review process, the review teams may make visits and/or hold meetings with applicants. In addition, applicants may be contacted by the Department for follow-up discussions prior to awards.

Required Organization Documents

See the Application Attachments - Required Documentation below in Section 10 for additional details on the required organizational documents requested at the time of application. All nonprofit applicants are required to submit:

1. Annual Corporate Diversity Addendum for the current year
2. Articles of Incorporation
3. Organization By-Laws
4. IRS Letter of Determination
5. Current Dated Board Roster
6. Temporary evidence of good standing from the Maryland Business Express Entity Search.
7. Temporary evidence of charitable registration from the Maryland Secretary of State Charities Public Registry Database.
8. Current Year Operating Budget
9. Most Recent Independent Financial Audit

Required Application Documents

See the Application Attachments - Required Documentation below in Section 10 for additional details on the application documents required at the time of application. Applications must include:

1. Program/Project Site Location Map
2. Signed Corporate Resolution/Authorizing Officers document
3. Evidence of Site Control for Capital Requests

Section 5: Award Approval & Award Agreement Process

Award Approval and Notification

1. Award recommendations are subject to review and approval by the Secretary of the Department of Housing and Community Development (DHCD).
2. Upon approval, DHCD will notify successful applicants through the Project Portal by sending official notification.
3. DHCD may also publicly announce awards through departmental blog posts, press releases, and/or special events.
4. Applicants not selected for award funding will receive a notification through the DHCD Project Portal.

Award Agreement

1. Legal Obligations:
    a. The Award Agreement is a legally binding contract between your organization and the State of Maryland.
    b. Your organization is legally bound to the terms and conditions outlined in the Award Agreement.
2. Agreement Structure: The Award Agreement consists of standard language and exhibits specific to your project:
    a. Award Agreement (Standard Template):
        - Standard Language: Specifies the legal awardee, program/project name, award amount, and outlines policies and requirements for award compliance.
        - Project Address: Specifies the location where award Tax Credits will be utilized.
        - Final Report Deadline: The final report is due no later than 30 days after the award agreement's expiration date.
    b. Exhibit A: Program/Project Description & Timeline
        - Details the scope of work, how award Tax Credits will be used, and timeline for implementation, reflecting any adjustments due to partial Tax Credit awards.

c. Exhibit B: Program/Project Budget
    - Provides a financial breakdown of the program/project, including requested tax credit amounts and corresponding donor contributions as well as confirmed or expected matching funds.

d. Exhibit C: Debarment Affidavit
    - A debarment affidavit certifies that an entity is eligible for government contracting and is not currently suspended or debarred. It confirms that the organization and its leadership lack convictions for bribery or fraud and remain in good standing regarding taxes and registration. Additionally, the entity agrees to avoid partnering with other debarred parties.

Award Agreement Execution Process

Award execution occurs when both parties have signed and witnessed the Award Agreement. Tax Credit donations cannot be accepted by the organization until after execution and all Special Conditions have been met. Below are the steps for executing an Award Agreement:

1. Drafting the Agreement:
    a. Upon award notification, your project manager will draft the Award Agreement using a standard template.
    b. The project manager will consult with the awardee to finalize project scope, budget, timeline, and impact, and ensure all required documentation is submitted.
    c. Award Agreements are created and processed through the DHCD Project Portal.
2. Agreement Submission:
    a. After internal review and approval, your project manager will send a notification that the Award Agreement is available in the DHCD Project Portal with instructions for signing the agreement.
3. Awardee Signature:
    a. The authorized signatory for your organization must sign and return the agreement in the DHCD Project Portal within five business days of receipt.
    b. Authorized signatories may include the executive director of a nonprofit, the executive leadership of a nonprofit, and current elected members of the nonprofit Board of Directors.
4. Final DHCD Approval:
    a. The Award Agreement will undergo a final internal review and be signed by the Assistant Secretary of Neighborhood Revitalization for DHCD, with a member of the DHCD legal department as a witness.
5. Project Portal Activation:

a. The award will be moved to "active" status in the DHCD Project Portal, and all award management activities (Tax Credit Certifications, Semi-Annual Reports, and Final Reports) will be conducted through the system.

Section 6: Tax Credit Certification Requirements & Submission Guidelines

In order for a Donor to receive a tax credit for a Contribution, the Awardee shall submit a request for certification of Contribution in the manner specified by the Department, which will include the signed Awardee and Donor Acknowledgement and evidence of the Contribution satisfactory to the Department such as but not limited to receipt of the Contribution, third party valuation of goods, appraisal of real property and/or broker documentation of stock transfer.

Certification Submission and Approval Requirements and Timeline

1. All certifications must be submitted electronically in the DHCD Project Portal online grants management system. Paper submissions are not accepted.
2. Individuals and businesses must use the tax credits against taxes owed for the year in which the contribution was made and may not be used retroactively for taxes from a prior year. Credits can be carried forward and apply to future taxes for up to 5 years.
3. Certification Submission Timeline:
    a. Donations received by the Awardee in the months of January through November must be submitted electronically as Certifications in the DHCD Project Portal online grants management system within 30 Days of receipt, unless an exception is permitted and communicated by the Department and CITC Program.
    b. Donations received by a CITC Awardee in the month of December must be submitted by January 15th of the following year.
    c. Certification submissions received over 30 days after the receipt of the donation will be considered out of compliance with the CITC Program requirements. Noncompliance with donation submission timeline requirements could lead to certifications not being approved and potential loss of tax credits.
    d. Certification Approval timeline - Once submitted, CITC Program Staff aim to review certification submissions and donation evidence attachments within 60 days of receipt.

Certification Supporting Document Requirements

All required documentation must be complete and ready to be submitted in order to submit a Certification of Contribution request in the DHCD Project Portal.

1. All documents/forms/scans must be saved as PDFs.

2. PDFs should be named to clearly describe the Donor, fiscal year and calendar year represented by each Waiver, i.e. "JohnSmith_FY24Waiver_11-01-24.pdf"
3. PDF names may include dashes and underscores, but should not include periods (.), dollar signs ($) or other special characters that are reserved by website programming.

Donor & Awardee Waiver of Information Form

1. Download Donor & Awardee Waiver template here.
2. Read the instructions carefully and fill in all requested information.
3. Make sure that the Form is signed and dated by both the Donor and by the Awardee.
4. Once completed, save as a PDF for uploading when submitting the Certification in the DHCD Project Portal.
5. Step-by-step instructions for filing out the Donor Waiver & Information Form.

Nonprofit Awardee "Thank You" Letter to the Donor

1. Download Full Contribution Thank You Letter Template or the Partial Contribution Thank You Letter Template.
2. Awardees are required to send a "Thank You" to Donors making a contribution through the CITC program.
3. Use the template and follow the included instructions.

Evidence of the Donation/Contribution

For each donation submitted for Certification, the awardee must provide clear and legible PDFs of documents that evidence the awardee's receipt of the contribution. All forms of proof must have the date of contribution and include all required signatures as applicable.

1. Evidence of Monetary Contributions:
    a. Checks must include the name on the account, the signatory, the date, and the check number.
    b. Credit cards, electronic transfers, or online giving tools must include a unique transaction number, evidence that the charge was approved/deposited, name of recipient organization, name of Donor, and the date of the donation.
    c. Gifts of stock or securities must be accompanied by a "broker's letter" that includes a clear date for the transfer of shares, the name and address of the Donor, the name of the security, its exchange symbol, the high, low and average sales price per share, and the number of shares gifted.
2. Evidence of Contributions of used goods require evidence of independent third-party evaluation of the goods donated (consistent with IRS Publication 561 – Determining the Value of Donated Property).

3. Evidence of Contributions of new goods require invoices or receipts from the Donor evidencing the net cost of the goods donated.
4. Evidence of Real Estate Contributions:
    a. Contributions of real estate are eligible as long as the property being donated is identified at the time of the application. Gifts of real estate require third-party, independent evaluation (consistent with IRS Publication 561 – Determining the Value of Donated Property) or real estate valuation records. Please contact the CITC Project Manager at citc.nr@maryland.gov for more information and instruction on donations of Real Estate.

Section 7: Award Management

Reporting Requirements

1. Once awarded tax credits, nonprofit organizations must submit a progress report every six months. Semi-Annual progress reports are essential for monitoring project advancement and ensuring compliance. Reports are considered late if submitted 10 days after the due date.
2. Failure to submit semi-annual progress reports within 10 days of the due date results in noncompliance. This prevents the organization from submitting new Certification of Contributions and delays the processing of pending ones. Additionally, noncompliance may impact an organization's ability to draw down current awards across all NR programs and affect eligibility for future funding. Repeated failure to submit reports may lead to agreement termination and the recapture of available tax credits.
3. Semi-Annual Report Submission Schedule:
    a. Semi Annual Reports are due on July 30th and January 30th during the two-year award term. The July 30 semi-annual report is for the period of January 1-June 30 and the January 30 semi-annual report is for the period of July 1-December 31.
    b. A final report for the award is required to be submitted on the 30th day of January after the grant agreement expires.

Semi-Annual Report Required Information

1. The semi-annual report submitted should provide information on:
2. Project activity/status
3. Changes in Project Budget or Timeline
4. Use of tax credits/contributions received
5. How the organization is marketing their project and the Tax Credits

Final Report Required Information

1. The Final Report should provide information on:

a. Certification of Completion: A statement confirming that the program/project was completed as described in the award agreement
b. Program/Project Outcomes for the entire 2-year award term
c. Use of tax credits/contributions received
d. Success and challenges to marketing their project and the Tax Credits

Submission Method

All reports must be submitted electronically through the DHCD Project Portal.

Report Attachments

Organizations are encouraged to upload attachments, such as photographs and other relevant documentation, to provide evidence of project status and activities.

Review and Approval Process

1. The project manager will review and approve the progress report within the DHCD Project Portal.
2. Prior to approval, the project manager may request clarifications or corrections to ensure the report's accuracy and completeness.

Additional Allocation / Award Modifications

The Program has instituted a process for approving additional allocations of tax credits. Awardees must submit an Additional Allocation Request Form with their Semi-Annual Report. Additional Allocation Requests can only be submitted within the first two Semi-Annual Reports of the award period (July of the award's first calendar year; or January of the award's second calendar year). DHCD will try to meet all requests but does not guarantee that an additional allocation will be approved or that the full amount requested will be granted.

Additional Allocations Requirements

1. The Balance of Tax Credits must be less than 50% of the Original Awarded Tax Credits.
2. Documentation of pledges and contributions exceed the remaining Balance.

Factors for Determination of Additional Allocation Awards

1. Awardees must be in full compliance with the CITC program and other active NR program awards.
2. The Awardee’s ability to successfully market the additional tax credits.
3. Demonstration of pending or existing financial contributions.
4. The organization's previous history of complying with program requirements.

Other Award Modifications

At its discretion, the Department may modify any provision of the award in order to facilitate the successful completion or operation of a project. Modifications can be initiated by either the awardee or Program Staff.

Modification Requests

Awardees may request modifications to address various project needs, including:

1. Project Scope Adjustments: Changes to the Program/Project description and scope of work.
2. Location Changes: Modifications to the Program/Project's location or address.
3. Timeline Updates: Changes to the timeline based on Program/Project budgetary changes or outcomes.
4. Budgetary Adjustments: Allocation of additional Tax Credits by DHCD or relinquishment of Tax Credits by the Awardee.

Modification Request Process

1. Awardees must submit a modification request to the CITC Project Manager.
2. All modification requests must be submitted within the active award period.
3. The Project Manager will review the request and submit it to DHCD leadership for approval.

Approval and Implementation

1. Upon approval, the method of implementation will vary depending on the nature of the modification.
2. For certain modifications, a formal letter of approval will be issued.
3. For more significant changes, an amendment to the original award agreement will be required to legally enact the modifications.

Award Monitoring

Following award execution, project activities should commence, and awardees may begin collecting Tax Credit Donations and submitting Tax Credit Certification of Contribution Request forms in the DHCD Project Portal.

The project manager will provide ongoing oversight and monitoring to ensure compliance with the terms of the award agreement.

Desk Monitoring will encompass both "desk monitoring" and potential on-site visits:

1. Desk Monitoring:
    a. Evaluation of progress reports

    b. Tax Credit Certification of Contribution Request
    c. Award Compliance
    d. Regular communication with the awardee
2. On-Site Visits (as applicable):
    a. Meetings with the designated award contact person
    b. Site inspections
    c. Attendance at project milestones (e.g., ground-breaking, ribbon-cutting events)

Award Close Out

A project is considered "Complete" when all of the following criteria are met:

1. All program/project activities outlined in the award agreement have been concluded
2. A final report has been submitted
3. The Tax Credit balance is $0
4. The award agreement period has been completed

Project Manager Close-Out Activities

To finalize the award, your project manager will perform the following tasks:

1. Activity Verification: Confirm that all program/project activities are complete.
2. Financial Review: Verify Tax Credit balances.
3. Report Collection: Gather any outstanding progress or final reports.
4. Tax Credit Certifications: Collect outstanding Tax Credit Certification Forms that have not been previously submitted.
5. Contact Information Update: Confirm current addresses.

Upon successful completion of the close-out process, Awardee will receive written notification for its records.

Section 8: Recapture of Tax Credits

Terms of Recapture

DHCD will monitor project progress to determine if a recapture of Tax Credits is necessary. If recapture is deemed appropriate, DHCD may recommend and seek approval for a formal recapture.

Voluntary Recapture

Ideally, DHCD aims for a voluntary recapture, wherein the awardee recognizes and agrees to relinquish Tax Credits due to unforeseen circumstances, project changes, or inability to use the awarded Tax Credit Allocation. This collaborative approach streamlines the process.

Recapture Process

If a recapture is approved, your project manager will initiate the necessary steps.

Factors Leading to Recapture Consideration

The following circumstances may lead to DHCD considering a recapture of funds:

1. Loss of Organization Eligibility
    a. Loss of 501(c)3 status with the Internal Revenue Service
    b. Inability to remain in good standing with the Maryland Department of Assessments and Taxation
    c. Failure to register with the Maryland Secretary of State as a charitable organization
2. Award Noncompliance:
    a. Failure to meet required reporting obligations
    b. The project is no longer expected to be completed
    c. The project is experiencing substantial delays without acceptable justification
    d. Inability to use the awarded Tax Credits in the time frame stated in the Award Agreement
    e. Failure to execute the necessary documents to certify award eligibility

Section 9: Award Noncompliance

Definition of Noncompliance

Noncompliance occurs when an awardee fails to adhere to the terms of the grant agreement, program guidelines, reporting requirements, or applicable laws and regulations. Noncompliance may also be administrative, financial, or programmatic in nature. Examples include, but are not limited to:

1. Use of funds for ineligible or unapproved expenses
2. Failure to submit required reports or documentation by deadlines
3. Incomplete, inaccurate, or misleading reporting
4. Failure to maintain required records
5. Nonperformance or significant deviation from approved activities
6. Failure to obtain prior approval for material changes
7. Conflicts of interest that are undisclosed or improperly managed
8. Failure to comply with applicable state or federal requirements

Notice and Opportunity to Cure

When feasible, DHCD will notify the awardee in writing of identified compliance concerns and may provide an opportunity to cure the issue within a specified timeframe.

Corrective Actions

DHCD may require corrective actions proportionate to the severity and frequency of the noncompliance. These may include, but are not limited to:

1. Submission of missing or revised reports
2. Additional documentation or financial reconciliation
3. Required training or technical assistance

Enforcement Actions

If noncompliance is not resolved, or if the issue is serious in nature, DHCD may take enforcement actions, including but not limited to:

1. Withholding or suspending Certification of Contributions
2. Reducing the award amount
3. Terminating the award agreement

Serious or Repeated Noncompliance

Serious, willful, or repeated noncompliance may result in:

1. Immediate enforcement action without a cure period
2. Referral for audit or investigation
3. Temporary or permanent ineligibility for DHCD funding programs

Documentation

DHCD will maintain documentation of compliance concerns, communications, and enforcement actions. Awardees are expected to retain records demonstrating corrective actions taken.

Good Faith Efforts

DHCD recognizes that unintentional errors may occur. Awardees that demonstrate good faith, transparency, and timely corrective action will be viewed more favorably than those that fail to communicate or cooperate.

Section 10: Award Policies

Use of Award

Approved Activities: Tax Credit Donations may only be used for the project activities specifically detailed in Exhibit A of the award agreement.

Site Control

Site control demonstrates a legal connection between the awardee and the project property. Evidence of site control is mandatory at the time of award agreement execution for any project involving acquisition, demolition, construction, or rehabilitation.

Legal Nexus: Site control must be established by the entity or individual with a legal interest in the property (e.g., owner, contractor with an owner's contract, lessee) and must explicitly reference the awardee. Acceptable Evidence of Site Control:

1. A signed document linking the awardee to a party with ownership interest.
2. SDAT printout if the awardee owns the property.
3. Letter from the property owner referencing the awardee.
4. Executed lease agreement between the awardee and property owner.
5. Executed purchase agreement between the awardee and property owner.
6. Management agreement.

Disclosure of Conflicts of Interest

A conflict of interest exists when an individual involved in the selection, award, or administration of program funds has a personal interest in those funds or benefits from the award. This includes employees, directors, officers, board members, volunteers, and elected officials.

1. Disclosure: Awardees must disclose any actual or potential conflicts of interest.
2. Conflict of Interest Policy: Awardees should have a written conflict of interest policy. While a copy is not required for submission, it must be readily available upon request by DHCD.

Examples of Potential Conflicts of Interest

1. An Awardee staff member involved in approving salary raises funded by tax credit donations.
2. Work being performed on property owned by an Awardee board member.

Record Retention

Awardees are required to maintain all project-related records for a minimum of seven years after the official close-out of the award. This includes, but is not limited to:

1. Financial records (invoices, receipts, ledgers, etc.)
2. Progress reports
3. Project documentation
4. Correspondence with DHCD

Section 11: Application Attachments - Required Documentation

Required Organization Documents

All 501(c)3 nonprofit applicants are required to attach the following documents to the applicant's Profile, Organization Uploads in the Project Portal, prior to the submission of a DHCD application.

1. Corporate Diversity Addendum – attach a completed and signed form to certify the application submission.
    a. Under the Maryland Solicitations Act and the Code of Maryland Regulation, organizations receiving a combined $1,000,000 or more in state benefits (including grants, tax credits and other competitive contracts) within a single fiscal year from State of Maryland Departments, must provide a completed and signed Corporate Diversity Addendum at least once per fiscal year.
2. Articles of Incorporation – Review, upload or update this document to the applicant's Profile, Organization Uploads
3. By Laws or Operating Agreement – Review, upload or update this document to the applicant's Profile, Organization Uploads.
4. IRS Letter of Determination – Review, upload or update this document to the applicant's Profile, Organization Uploads.
5. Current Dated Board Roster – List all current Board Members with their Board Titles. List should be for the current fiscal year. Document should be official and dated (on letterhead, screen print webpage).
6. Temporary Evidence of Good Standing – attach a printed (PDF) screen capture of the applicant organization's status from the Maryland Business Express Entity Search. Do not purchase an official Certificate of Status for the purpose of application.
7. Temporary Evidence of MD State Charitable Registration – Under the Maryland Solicitations Act, charitable organizations soliciting in Maryland generally must file documents annually with the Office of the Secretary of State. All applicants will need this documentation before any award can be executed – attach a printed (PDF) screen capture of the applicant organization's status from the Maryland Secretary of State Charities Public Registry Database.
8. Operating Budget (Current Year) – Review, upload or update the current Operating Budget document on the applicant's Profile, Organization Uploads.
9. Most recent Independent Financial Audit – (Most Recent, or IRS Form 990 from the Prior Calendar Year) – Review, upload or update the most recent audit document on the applicant's Profile, Organization Uploads.

Required Application Documents

All 501(c)3 nonprofit applicants are required to attach the following documents to the online grant application.

1. Program/Project Site Location Map – using the Neighborhood Revitalization Mapper, enter the primary program/project site address to generate a map image, demonstrating the location within the boundaries of a designated Priority Funding Area. Save the map as a PDF or JPEG file and upload to the application's "Application Information" page. Click here for full Neighborhood Revitalization Mapper Instructions. In cases of multiple noncontiguous addresses, additional maps can be saved and uploaded to the last page of the application as "Additional Supporting Attachments".
2. Corporate Resolution – attach a completed and signed form to certify the application submission.
3. Evidence of Site Control - Capital programs/projects require evidence of site control. Site control is defined as a documented connection between the owner of the property and the entity applying for award funds. Examples include a deed, lease, Memorandum of Understanding, or a formal agreement with the legal nexus. Capital programs/projects require evidence of site control for each property involved.

Additional Supporting Documents

In addition to the Organizational and Legal Exhibits listed above, the application allows the attachment of any additional documentation that you have procured or developed related to the development of the program/project. These can be uploaded on the "Application Attachments and Authorization" page of the application. Examples include additional photographs, letters of support, program guidelines, marketing tools, vendor quotes and/or cost estimates.

Section 12: Contact Information

The DHCD team is dedicated to providing guidance and support throughout the Community Investment Tax Credit process. If you have any questions regarding this application guide or the program in general, please don't hesitate to reach out to the CITC Project Manager at citc.nr@maryland.gov.

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