

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 878 (Howard County Delegation)
Environment and Transportation Education, Health, and Environmental Affairs

**Howard County - Department of Housing and Community Development -
Housing Opportunities Trust Fund
Ho. Co. 05-22**

This bill establishes the Housing Opportunities Trust Fund as a nonreverting special revenue fund within the Howard County Department of Housing and Community Development (HCDHCD). The fund must be used to promote equitable access to affordable housing for households of limited income in Howard County. By December 1, 2023, and annually thereafter, HCDHCD must prepare and submit an annual report to the Howard County Council, the Howard County Executive, and the Howard County Delegation to the General Assembly on the activity of the fund during the prior fiscal year. **The bill takes effect July 1, 2022.**

Fiscal Summary

State Effect: None. The bill affects only Howard County.

Local Effect: Howard County expenditures increase to the extent funding is provided to the fund and funding is disbursed; revenues increase from any loan repayments, interest earnings, and gifts or grants made to the fund. Howard County can manage the fund and handle the bill's requirements with existing resources.

Small Business Effect: Minimal.

Analysis

Bill Summary: "Household of limited income" means a household with an annual income of not more than 80% of the median income for Howard County.

The Housing Opportunities Trust Fund consists of (1) money appropriated under the Howard County budgetary process; (2) any gift or grant of money made to the fund; (3) payments made on loans from the fund; and (4) earnings of the fund. Money of the fund may be invested consistent with the investment policy of the county.

Authorized uses of the fund include (1) providing assistance to renters and first-time home buyers; (2) developing, preserving, rehabilitating, and improving affordable housing, including affordable rental housing; and (3) increasing, by any other means, the affordability or accessibility of housing for households of limited income in the county.

HCDHCD is authorized to administer the fund by issuing loans, grants, guarantees, or direct financial assistance to individuals, nonprofit organizations, or developers of affordable housing. A minimum of 50% of the expenditures from the fund in a fiscal year must benefit households with an annual income of not more than 50% of the median income for the county. A minimum of 40% of those expenditures must benefit households with an annual income of not more than 30% of the median income for the county.

Current Law: HCDHCD develops, manages, and implements various programs designed to secure safe and decent housing for the citizens of Howard County.

Responsibilities include (1) consulting with other county agencies and with public and private organizations to develop policy and plans related to housing, community development, and urban renewal; (2) reviewing, analyzing, and coordinating housing or community development projects, especially those that involve more than one department of county government; (3) designing, writing and negotiating housing and community development related grant proposals and applications; (4) maintaining liaison with other county, State, and federal agencies with programs or services affecting housing policy and specific housing and community development programs; (5) administering various local, State, and federal loan and grant programs for moderate- and low-income individuals and families, including specified State programs; and (6) performing other functions as may be prescribed by directive of the county executive or by law.

Additional Comments: The Federal Reserve Bank of St. Louis reports that the 2020 median household income for Howard County is \$124,042.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Howard County; Federal Reserve Bank of St. Louis; Department of Legislative Services

Fiscal Note History: First Reader - February 25, 2022
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