



## House Bill 577

*Department of Housing and Community Development - Homeless Shelter Licensing  
Program - Establishment*

MACo Position: **OPPOSE**

To: Environment & Transportation  
Committees

Date: February 16, 2024

From: Dominic J. Butchko

The Maryland Association of Counties (MACo) **OPPOSES** HB 577. This bill grants the Department of Housing & Community Development (DHCD) the ability to regulate homeless shelters.

For the 2024 Maryland General Assembly Session, MACo has made it a priority – one of the Association’s four legislative initiatives – to *Advance Comprehensive Housing Solutions*. Much like climate change and sea level rise, the challenges surrounding affordable housing are vast and call for a large, multipronged approach. While in other policy areas, it may be easy to deduce a simple cause-and-effect relationship, housing is a complex web of multifaceted factors. Addressing challenges like workforce, financing, interest rates, broad economic trends, supply chain, economic trends, and large out-of-state corporate interests – among many other obstacles – requires an all-hands-on-deck effort from policy makers at all levels.

MACo is working with sponsors to cross-file legislation to target several components of this crisis: abandonment/blight disincentives for vacant properties, corporate owner transparency, and short-term rental oversight. Additionally, under this initiative, counties will be supporting other pro-housing legislation which helps to advance the conversation, balances local flexibility, and ensures more Marylanders can afford a place to call home.

Counties recognize and broadly support the intent of HB 577 to establish a minimum standard for homeless shelter operations. When members of the community may be at their lowest, they should still have options that grant them dignity and decency. However, counties do raise significant objections to how this bill was brought to fruition, as well as several serious technical flaws in its potential implementation:

- **No Input From Stakeholders** – When MACo requested information from DHCD as to which stakeholders were involved in the drafting of the legislation, representatives indicated that they declined to include anyone outside of the Department. As providers of both homeless and social services, counties and nonprofit partners should have been brought into the conversation. Additionally, the legislation does not mention collaboration with local Continuums of Care (CoC), which, under federal HUD mandate, hold local projects accountable. A lack of

coordination with CoCs in the intent behind this bill or the means to implement could result in numerous unintended consequences that will dilute the way in which poor actors (shelters that discriminate or treat people unfairly when they are most in need) are held accountable.

- **Staff Accountability** - Section 6-1204 (3) dictates that DHCD can hold shelters accountable to staffing plans and paid staff. This bill fails to clarify how DHCD has the authority to do this when many shelters across Maryland do not receive state funding to operate.
- **Burdensome Licensure Requirements** - Section 6-1202 (B) - requires shelter operators and building owners to apply for a license every 2 years. The shelters about which DHCD has expressed concern regarding discriminatory practices are managed by small nonprofits or churches that operate on small budgets, reliant on limited volunteer staff. Additionally, the bill is silent about shelters operated by counties or on county property. Counties are normally exempted from such licensure requirements.
- **Emergency Shelter Licensure Requirement** – It is critical in emergencies that counties and nonprofit partners move quickly. While the carve-out for 6-1201(C)(2) does give some latitude to emergency shelters, it is not explicit enough and may cause delay to the deployment of Freezing Weather Shelters (FWS), code blue shelters, and cooling centers. This lack of clarity may drastically undercut a county’s ability to provide emergency services and is a significant departure from best practices. Counties often struggle to find space and funding to expand shelters for the cold months and often must rely on churches or spaces within county-owned buildings to provide this life-saving measure. It is unclear how the State will allow for the flexibility that localities rely on to negotiate these extra emergency beds. If a shelter, opened for the winter months, is held to the same standard as a year-round shelter that receives more resources, that extra license requirement may result in fewer beds being available during the freezing months and people dying outside on the streets.
- **Silent on Hotel Vouchers** – Many rural counties, which cannot afford to establish shelter infrastructure, rely on hotel vouchers and other subsidies as a measure to combat homelessness. This legislation is silent on how DHCD may be able to license those programs and how this may impact partners in the hospitality industry.
- **Broad Authority, Little Understanding of Real Impact** - Effectively, this bill grants authority to DHCD to close shelters without regard for broader impact and bed capacity. This is a point that MACo has raised with both the sponsor and DHCD but that has not been sufficiently addressed. As the primary back-stop for social services, if the State mandates a shelter closure without any considerations or stakeholder feedback, counties will be left to fill in the holes of an already overburdened social safety net. As DHCD has declined to holistically include anyone in conversations around implementation, at minimum, there exist many questions about staff capacity, back-stops, co-mingling of federal, state, and local authority, and vague language around infection control and prevention policies and procedures. The broad brushstrokes of this bill leave too many items open to interpretation, which does not build cohesion or trust between the State and county governments. It is recommended that the State bring the local

CoCs and county governments (a few of which are the CoC leads) into a focused, intentional and transparent planning process to outline and align the shared intention and methods to reach a revised course of action that will result in more accountability for bad actors refusing to admit people into their shelters. MACo supports the intention of equitable access to homeless shelters for those who are living unsheltered in Maryland. However, without local buy-in by the State to develop a shared plan, the result will just create more red tape without the incentive of any new resources (the bill provides no new funding for sheltering). It will take time for the state to reach the goals of expanding access to affordable housing at all levels of income, therefore we must do everything we can to ensure people have access to emergency shelter and that the beds we have now can accept the growing numbers of people experiencing homelessness.

Counties remain committed to working with the Committee, stakeholders, the sponsor, and DHCD in driving toward better solutions, but must voice significant concerns and opposition with the development and possible implementation of this bill. For this reason, MACo urges the Committee to give HB 577 an **UNFAVORABLE** report.