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DATE: January 21, 2025

BILL NO.: Senate Bill 238

TITLE: Department of Housing and Community Development – Maryland Housing Rehabilitation Program – Local Rehabilitation Program Administration

COMMITTEE: Senate Education, Energy, & the Environment Committee

Letter of Support

Description of Bill:

Senate Bill 238 aims to expand the Maryland Housing Rehabilitation Program by allowing certified nonprofit organizations, in addition to political subdivisions, to administer local rehabilitation programs. The Maryland Housing Rehabilitation Program provides financial assistance to improve the safety, health, and livability of housing across the state. It offers loans and grants to address critical repairs, including structural deficiencies, accessibility modifications, and code related upgrades. The program primarily targets low- and moderate-income homeowners.

Background and Analysis:

- The purpose of this bill is to expand the network of local partners that can issue funding for holistic building retrofits to low-income homeowners.
- Under the current statute, only local governments can receive funds from DHCD to fund rehabilitation projects.
- Many local governments do not have the capacity to administer this program directly, or to act as a middleman between DHCD and local nonprofits that are experienced housing rehabilitators.
- By allowing nonprofit organizations to become direct recipients of the rehabilitation funding, a number of benefits can be achieved:
 - Those jurisdictions that do not have the capacity to participate in this program through their government, will see the benefits of the MHRP funding increase to their residents via nonprofit participation.
 - A larger network of participating partners will allow DHCD to easier and more effectively disburse funds to homeowners.
 - The same partners who receive funding from DHCD's energy efficiency programs, will become eligible to also receive rehabilitation funds and deploy both projects at the same time in a whole home approach that is more seamless for participants.

DHCD Position

The Maryland Department of Housing and Community Development respectfully requests a **favorable** report on SB 238.

