

**Maryland General Assembly  
Department of Legislative Services**

**Proposed Regulations  
Department of Housing and Community Development  
(DLS Control No. 14-227)**

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**Overview and Legal and Fiscal Impact**

These regulations conform to the requirements of Chapter 229 of 2014, the Multifamily Rental Housing Programs Efficiency Act. The regulations also alter (1) certain standards for multifamily loans and (2) certain notice and permission standards for the Department of Housing and Community Development's consultation with local jurisdictions on community development projects. Finally, the regulations modify various provisions relating to the Partnership Rental Housing Program.

The regulations present no legal issues of concern.

There is no fiscal impact on State or local agencies. The regulations merely implement Chapter 229 of 2014 (House Bill 453). Any fiscal impact is from that legislation, not the regulations.

**Regulations of COMAR Affected**

**Department of Housing and Community Development:**

Rental Housing Programs: Multi-Family Rental Financing Programs:

COMAR 05.05.01.01-.32

Multi-Family Housing Revenue Bond Financing Program:

COMAR 05.05.02.02, .04, .06, .08, .11, .14, and .17

Partnership Rental Housing Program:

COMAR 05.05.05.02-.08, .12-.14, .16, .18, and .24

Maryland Housing Rehabilitation Program – Multifamily Rehabilitation Program:

COMAR 05.05.07.01-.31

Nonprofit Rehabilitation Program: COMAR 05.05.08.01-.28

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**Legal Analysis**

**Background**

Chapter 229 of 2014, the Multifamily Rental Housing Programs Efficiency Act, consolidated four multifamily housing programs within the department (the Elderly Rental Housing Program, the Multifamily Rehabilitation Program, the Nonprofit Rehabilitation Program, and the Rental Housing Production Program) to be under the new Rental Housing Program.

The department states that Chapter 229 was intended to reduce the administrative burden on program staff and applicants by streamlining and consolidating multiple programs under a single subtitle in the Housing and Community Development Article with consistent statutory language.

## **Summary of Regulations**

The name of Title 05, Subtitle 05 is changed from “Rental Housing Programs” to “Multifamily Housing Programs.”

### **Chapter 1: Rental Housing Program (05.05.01)**

The new chapter replaces the “Multifamily Rental Financing Programs” with regulations under the new chapter titled “Rental Housing Program.” The regulations also update certain numerous definitions, terminology, and phrasing to be internally consistent within Subtitle 5 and consistent with Chapter 229 of 2014.

### **Chapter 2: Multifamily Bond Program (05.05.02)**

The regulations change the chapter title from the “Multi-Family Housing Revenue Bond Financing Program” to the “Multifamily Bond Program” and update certain terminology and phrasing to be internally consistent within Subtitle 5 and consistent with Chapter 229 of 2014. The regulations also require that, for each project under the chapter, an affirmative fair housing marketing plan be submitted for review and approval by the Community Development Administration in accordance with specified requirements. Finally, the regulations update the Multifamily Bond Program’s nondiscrimination policy and make several other substantive changes.

### **Chapter 5: Partnership Rental Housing Program (05.05.05)**

The regulations update certain terminology and phrasing to be internally consistent within Subtitle 5 and consistent with Chapter 229 of 2014. The regulations also update the Partnership Rental Housing Program’s nondiscrimination policy and make several other substantive changes.

## **Legal Issue**

The regulations present no legal issues of concern.

## **Statutory Authority and Legislative Intent**

The department cites §§ 2-111, 4-901-4-925, 4-401-4-411, and Title 4, Subtitles 2, 9, and 12 of the Housing and Community Development Article, and §§ 5-7B-01 through 5-7B-10 of the State Finance and Procurement Article as authority for the regulations.

Specifically, § 4-406 requires the department to adopt regulations to carry out the Rental Housing Program and requires the regulations to provide for standards of eligibility, terms, and fees, and the charges that must be imposed on program loans, among other things. Section 4-1205(a)(3) requires the department to adopt policies and procedures that encourage

partnership rental housing throughout the State as well as to adopt regulations to carry out the Partnership Rental Housing Program, including specifying criteria for local contributions to the cost of partnership projects. The cited authority is correct and complete. The regulations comply with the legislative intent of the law.

### **Technical Corrections and Special Notes**

The department has been made aware of several spelling and grammatical errors in the regulations. The department intends to correct the errors before publication in the *Maryland Register*.

### **Fiscal Analysis**

There is no fiscal impact on State or local agencies. The regulations merely implement Chapter 229 of 2014 (House Bill 453). Any fiscal impact is from that legislation, not the regulations.

### **Agency Estimate of Projected Fiscal Impact**

The department advises that the regulations have minimal or no impact on State or local governments. The Department of Legislative Services concurs, as the regulations merely implement Chapter 229 of 2014 (House Bill 453). Any fiscal impact is due to that legislation, not the regulations. The fiscal and policy note for House Bill 453 indicated that the legislation did not materially affect State operations or finances.

### **Impact on Budget**

There is no impact on the State operating or capital budget.

### **Agency Estimate of Projected Small Business Impact**

The department advises that the regulations have minimal or no economic impact on small businesses in the State. The Department of Legislative Services concurs.

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