

**Maryland General Assembly
Department of Legislative Services**

**Proposed Regulations
Department of Housing and Community Development
(DLS Control No. 15-022)**

Overview and Legal and Fiscal Impact

These regulations conform the review process involved in awarding Shelter and Transitional Housing Facilities grants with the process involved in making Rental Housing Program loans. The regulation also eliminates duplicative provisions.

The regulations present no legal issue of concern.

There is no fiscal impact on State or local agencies.

Regulations of COMAR Affected

Department of Housing and Community Development:

Rental Housing Programs: Shelter and Transitional Housing Facilities Grant Program:
COMAR 05.05.09.03, .04, and .11-.13

Legal Analysis

Background

The objective of the Shelter and Transitional Housing Facilities Grant Program is to provide capital financing for local governments and nonprofit organizations to develop shelter, transitional, or other housing facilities for homeless individuals and families. Program funds may be used for a range of purposes, including the cost of acquiring land and buildings, the cost of labor and materials, acquisition of capital equipment and furnishings, and certain fees and premiums normally incurred in real estate development.

Summary of Regulations

The regulations conform the application processing procedures for the Grant Program to the procedures now used in the Rental Housing Program, of which the Grant Program is a part.

Currently, the application processing procedures of the Grant Program are broadly written, while the application procedures of the Rental Housing Program are richly detailed. For example, one Grant Program provision simply states that the department shall notify “the local government” in which the project is located when the department receives an application. By contrast, when an application is received for a project in the Rental Housing Program, the department is required to provide written notice and reasonable opportunity to comment on the project to the chief executive

officer or the equivalent officer and the head or president of the legislative body of the political subdivision in which the proposed project is located.

Additionally, the Grant Program currently requires that the Department of Housing and Community Development provide in its notice to the local government “a description” of the proposed project. By contrast, the Rental Housing Program lists eight specific pieces of information that the department must provide, including the name and description of the project, sponsor of the project, amount of funding requested, and total number of units in the project.

The regulations also eliminate an unnecessary enumeration of the nondiscrimination requirements to be met by sponsors in the Grant Program. In place of the enumeration, the regulations substitute a cross-reference to the regulation where the requirements already appear.

Legal Issue

The regulations present no legal issue of concern.

Statutory Authority and Legislative Intent

The department cites Chapter 396, Acts of 2011, Chapter 444, Acts of 2012, Chapter 424, Acts of 2013, and Chapter 463, Acts of 2014, as authority of the regulations. These Acts have funded the various housing funds of the department through the issuance of State bonds. More appropriate authority is § 4-406 of the Housing and Community Development Article, which requires the department to adopt regulations to carry out the Rental Housing Program. With the addition of § 4-406, the cited authority is correct and complete. The regulations comply with the legislative intent of the law.

Technical Correction

Section 4-406 of the Housing and Community Development Article should be cited as authority for the regulation.

Fiscal Analysis

There is no fiscal impact on State or local agencies.

Agency Estimate of Projected Fiscal Impact

The Department of Housing and Community Development (DHCD) advises that the regulations have no impact on State or local governments, as the proposed regulations merely streamline the review process for Shelter and Transitional Housing Facilities Grants. The Department of Legislative Services concurs.

Impact on Budget

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

Agency Estimate of Projected Small Business Impact

DHCD advises that the regulations have minimal or no economic impact on small businesses in the State, as the proposed regulations merely streamline the review process for Shelter and Transitional Housing Facilities Grants. The Department of Legislative Services concurs.

Contact Information

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