

MARYLAND REGISTER

Proposed Action on Regulations

Transmittal Sheet PROPOSED OR REPROPOSED Actions on Regulations	Date Filed with AELR Committee	TO BE COMPLETED BY DSD
	04/14/2016	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

1. Desired date of publication in Maryland Register: 5/27/2016

2. COMAR Codification

Title Subtitle Chapter Regulation

05 04 06 .07 and .09

3. Name of Promulgating Authority

Department of Housing and Community Development

4. Name of Regulations Coordinator

Mark S Petrauskas

Telephone Number

301-429-7487

Mailing Address

7800 Harkins Road

City State Zip Code

Lanham MD 20706

Email

mark.petrauskas@maryland.gov

5. Name of Person to Call About this Document

Mark Petrauskas

Telephone No.

301-429-7489

Email Address

mark.petrauskas@maryland.gov

6. Check applicable items:

- New Regulations
- Amendments to Existing Regulations
Date when existing text was downloaded from COMAR online: April 1, 2016.
- Repeal of Existing Regulations
- Recodification
- Incorporation by Reference of Documents Requiring DSD Approval
- Reproposal of Substantively Different Text:

: Md. R
(vol.) (issue) (page nos) (date)

Under Maryland Register docket no.: --P.

7. Is there emergency text which is identical to this proposal:

Yes No

8. Incorporation by Reference

Check if applicable: Incorporation by Reference (IBR) approval form(s) attached and 18 copies of documents proposed for incorporation submitted to DSD. (Submit 18 paper copies of IBR document to DSD and one copy to AELR.)

9. Public Body - Open Meeting

OPTIONAL - If promulgating authority is a public body, check to include a sentence in the Notice of Proposed Action that proposed action was considered at an open meeting held pursuant to General Provisions Article, §3-302(c), Annotated Code of Maryland.

OPTIONAL - If promulgating authority is a public body, check to include a paragraph that final action will be considered at an open meeting.

10. Children's Environmental Health and Protection

Check if the system should send a copy of the proposal to the Children's Environmental Health and Protection Advisory Council.

11. Certificate of Authorized Officer

I certify that the attached document is in compliance with the Administrative Procedure Act. I also certify that the attached text has been approved for legality by Mark Petrauskas, Assistant Attorney General, (telephone #301-429-7489) on April 4, 2016. A written copy of the approval is on file at this agency.

Name of Authorized Officer

Kenneth C. Holt

Title

Secretary

Telephone No.

301-429-7452

Date

April 12, 2016

Title 05
DEPARTMENT OF HOUSING AND COMMUNITY
DEVELOPMENT

Subtitle 04 SPECIAL LOAN PROGRAMS

05.04.06 Lead Hazard Reduction Grant and Loan Program

Authority: Housing and Community Development Article, Title 4, Subtitle 9, and §§4-704—4-706, Annotated Code of Maryland

Notice of Proposed Action

[]

The Secretary of Housing and Community Development proposes to amend Regulations .07 and .09 under COMAR 05.04.06 Lead Hazard Reduction Grant and Loan Program.

Statement of Purpose

The purpose of this action is to increase the amount of loan and grant commitments the Department may make in a fiscal year to a sponsor of a lead hazard reduction project.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

The proposed action has no economic impact.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Amy Grutzner , Director of Single Family Housing, Department of Housing and Community Development, 7800 Harkins Road, Lanham, Maryland 20706, or call 301-429-7763, or email to Amy.Grutzner@maryland.gov, or fax to . Comments will be accepted through June 27, 2016. A public hearing has not been scheduled.

Economic Impact Statement Part C

A. Fiscal Year in which regulations will become effective: FY 2016

B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?

Yes

C. If 'yes', state whether general, special (exact name), or federal funds will be used:
Special – Special Loans Program Fund

D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:

E. If these regulations have no economic impact under Part A, indicate reason briefly:
There is no economic impact because the proposed regulations only impact Departmental procedures by allowing it to commit more Program funds to a sponsor in a fiscal year.

The changes will not increase the overall amount of funding for Program loans and grants, and will not increase the cost of applying for loans and grants under the Program.

F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.

Small businesses are not the recipients of Program loans and grants, and they do not participate in making loans and grants. It is possible that small businesses act as contractor's that rehabilitate properties under the Program, but these changes will not increase or decrease the amount of lead hazard reduction activities carried out under the Program.

G. Small Business Worksheet:

Attached Document:

Title 05 DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Subtitle 04 SPECIAL LOAN PROGRAMS

Chapter 06 Lead Hazard Reduction Grant and Loan Program

Authority: Housing and Community Development Article, [Title 4, Subtitle 9, and §§4-704—4-706] §4-706, Annotated Code of Maryland

.01-.06 (text unchanged)

.07 Loan Terms and Requirements — Deferred Payment Loans.

A.- C. (text unchanged)

D. Maximum Loan Amount for a Deferred Payment Loan. A sponsor may not receive commitments for more than [\$100,000] \$250,000 during a fiscal year for grants and deferred payment loans combined. This limit is reduced to [\$30,000] \$75,000 for child care centers. The sponsor limit applies to the sponsor and all related corporations, partnerships, and other business entities.

E. (text unchanged)

.08 (text unchanged)

.09 Grant Terms and Requirements.

A. - B. (text unchanged)

C. Maximum Grant Amount.

(1) – (2) (text unchanged)

(3) A sponsor may not receive commitments for more than [\$100,000] \$250,000 per fiscal year in grants and forgiven loans combined. The sponsor limit applies to the sponsor and all related corporations, partnerships, and other business entities.

(4) (text unchanged)

D. - F. (text unchanged)

.10- .20 (text unchanged)

TITLE 05 DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Subtitle 04 SPECIAL LOAN PROGRAMS

05.04.06 Lead Hazard Reduction Grant and Loan Program

Authority: Housing and Community Development Article, §4-706, Annotated Code of Maryland

NOTICE OF PROPOSED ACTION

The Secretary of Housing and Community Development proposes to amend Regulations .07 and .09 under **COMAR 05.04.06** Lead Hazard Reduction Grant and Loan Program.

Statement of Purpose

The purpose of this action is to increase the amount of loan and grant commitments the Department may make in a fiscal year to a sponsor of a lead hazard reduction project.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Part A

Estimate of Economic Impact

The proposed action has an economic impact.

I. Summary of Economic Impact

Under the Lead Hazard Reduction Grant and Loan Program (the “Program”), the Department provides loans and grants for lead hazard reduction projects in existing housing to homeowners and sponsors that own rental property or day care centers. Over the last 3 years, approximately 65% of the annual Program funding has been provided to homeowners and 35% has been provided to sponsors.

The Department is amending the Program regulations to increase the amount of loan and grant commitments it may make in a year to a sponsor of a lead hazard reduction project. The

Department estimates the same amount of annual Program funding will be provided to homeowners and sponsors after the change. The reason for the change is to allow the Department to provide more funding to the sponsors that are effective and efficient at completed lead hazard reduction activities. Since the annual amount of funding is not increasing or decrease by the proposed changes, there will not be any economic impacts to the Department or local governments. Certain sponsors may benefit because they may be eligible to receive more grants and loans under the Program. The public will benefit because the changes will allow the Department to more efficiently provide funding to sponsors that complete lead hazard reduction activities.

II. Types of Economic Impacts.

		Revenue(R+/R-)	
		<u>Expense (E+/E-)</u>	<u>Magnitude</u>
A.	On issuing agency:	None	
B.	On other State agencies:	None	
C.	On local governments:	None	
		Benefit(+)	
		<u>Cost(-)</u>	<u>Magnitude</u>
D.	On regulated industries or trade groups:	+	Indeterminable
E.	On other industries or trade groups:		
	1. Nonprofit Organizations	+	Indeterminable
	2. Donating Businesses	None	
F.	Direct and indirect effects on public:	+	Indeterminable

III. Assumptions. (Identified by Impact Letter and Number from Section II.)

D. On regulated industries: Property owners that are effective at completing lead hazard reduction activities may be eligible to receive up to \$250,000 in Program funding commitments in a year. They may receive a positive benefit since they will be able to complete more projects with Program funding. The amount of Sponsors that will seek and qualify for additional commitments is indeterminable.

E. On other industries or trade groups: Nonprofit housing agencies are the typical sponsors under the Program. The nonprofit agencies that are effective at completing lead hazard reduction activities may be eligible to receive up to \$250,000 in Program funding commitments in a year. They may receive a positive benefit since they will be able to complete more projects with Program funding. The amount of Sponsors that will seek and qualify for additional commitments is indeterminable.

F. Direct and indirect effects on public: The public receives an indirect benefit each time a lead hazard reduction project is completed because the properties are no longer a lead hazard to children. The amount of additional projects completed in a year is indeterminable.

Part B

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact of Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Amy Grutzner, Director of Single Family Housing, Division of Development Finance, Department of Housing and Community Development, or call 301-429-7763. These comments must be received by _____. No public hearing has been scheduled.

Part C
(For legislative use only; not for publication)

- A. Fiscal Year in which regulations will become effective: FY 2016
- B. Does the budget for fiscal year in which regulations become effective contain funds to implement the regulations?
- X Yes No
- C. If "yes," state whether general, special (exact name), or federal funds will be used:
Special – Special Loans Program Fund
- D. If "no," identify the source(s) of funds necessary for implementation of these regulations:
- E. If these regulations have no economic impact under Part A, indicate reason briefly:
- F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason.

Small businesses that are recipients of Program loans and grants may receive benefit of being able to receive more grants and loans under the Program. It is also possible that small businesses act as contractor's that rehabilitate properties under the Program may receive a benefit by working for a sponsor that is able to receive more Program funding. Overall, the Department estimates that any impacts to small businesses will be minimal because the changes will not increase or decrease the total amount of lead hazard reduction activities carried out under the Program.