

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 792 (Chairman, Economic Matters Committee)
(Departmental - Housing and Community Development)
Economic Matters

Department of Housing and Community Development - Partnership Rental Housing Program

This departmental bill provides that under the Partnership Rental Housing Program, the number of units required to be occupied by households of lower income may include those units counted towards such occupancy restrictions under other State and federal programs.

Fiscal Summary

State Effect: None. The overall funding available through the program is not affected.

Local Effect: Potential increase in revenues. Expenditures would not be affected.

Small Business Effect: The Department of Housing and Community Development (DHCD) has determined that this bill has minimal or no impact on small business (attached). Fiscal Services concurs with this assessment, as discussed below.

Fiscal Analysis

Local Effect: Local governments that undertake a rental housing project often use the resources of a variety of State and federal programs; most such programs have their own occupancy restrictions requiring a certain percentage of units to be dedicated to low-income housing with the rest available at market value.

Under the bill, any other such restriction would be allowed to overlap with those of the Partnership Rental Housing Program. This will allow the local government to have a financially viable number of market value units (usually around 49%). To the extent that local governments would have more market value units under this bill, in cases where local governments receive rent payments or some portion thereof, local revenues through rental income would increase. It is not expected, however, that any additional projects would be constructed as a result of this bill, as DHCD is likely to distribute the full funding available under current law. The bill's provisions only affect the composition of the projects that are funded.

Small Business Effect: As noted in the DHCD analysis, this bill would have a minimal effect on small businesses. While these businesses are often hired to manage and construct local housing facilities, the number of facilities constructed is not expected to change as discussed above.

Information Source(s): Department of Housing and Community Development, Department of Fiscal Services

Fiscal Note History: First Reader - March 5, 1996
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