
By: Chairman, Economic and Environmental Affairs Committee (Departmental - Housing and Community Dev.)

Introduced and read first time: January 27, 1997

Rule 32(e) suspended

Assigned to: Economic and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 Department of Housing and Community Development - Operating Assistance Grants

3 FOR the purpose of repealing the abrogation and "demonstration" status of the program
4 of operating assistance grants; and generally relating to the operating assistance
5 grants and the Department of Housing and Community Development.

6 BY repealing and reenacting, without amendments,
7 Article 83B - Department of Housing and Community Development
8 Section 2-1201, 2-1204, and 2-1205
9 Annotated Code of Maryland
10 (1995 Replacement Volume and 1996 Supplement)

11 BY repealing and reenacting, with amendments,
12 Article 83B - Department of Housing and Community Development
13 Section 2-1202 and 2-1203 to be under the amended subtitle "Subtitle 12.
14 Operating Assistance Grants"
15 Annotated Code of Maryland
16 (1995 Replacement Volume and 1996 Supplement)

17 BY repealing
18 Article 83B - Department of Housing and Community Development
19 Section 2-1206
20 Annotated Code of Maryland
21 (1995 Replacement Volume and 1996 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
23 MARYLAND, That the Laws of Maryland read as follows:

2

1 **Article 83B - Department of Housing and Community Development**

2 Subtitle 12. Operating Assistance Grants [Demonstration Projects].

3 2-1201.

4 (a) In this subtitle the following words have the meanings indicated.

5 (b) "Homeownership Programs Fund" means that fund referred to in §§ 2-613(a)
6 and 2-1006(a) of this title.

7 (c) "Nonprofit organization" means a corporation, foundation, or other legal
8 entity, no part of the net earnings of which inures to the benefit of any private
9 shareholder or individual holding any interest in such entity.

10 (d) "Operating assistance grants" means assistance with operating and overhead
11 costs of a nonprofit organization, including staff costs, organizational costs, and, in the
12 case of grants under § 2-1203 of this subtitle, costs relating to applying for a loan or
13 assisting individuals in applying for a loan.

14 (e) "Rental Housing Programs Fund" means that fund referred to in §§ 2-313(a),
15 2-505(a), and 2-805(a) of this title.

16 (f) "Special Loan Programs Fund" means that fund referred to in § 2-708(a) of
17 this title.

18 2-1202.

19 (a) The Department[, under a demonstration project,] shall make operating
20 assistance grants to nonprofit organizations for the purpose of building their capacity to
21 participate in housing projects or activities authorized by the programs established in this
22 title that are financed through the Rental Housing Programs Fund, the Homeownership
23 Programs Fund, the Special Loan Programs Fund, or otherwise financed in whole or in
24 part by the Department.

25 (b) To be eligible for an operating assistance grant under this section a nonprofit
26 organization must have limited expertise or no recent experience in participating in
27 projects or activities financed in whole or in part by the Department.

28 2-1203.

29 The Department[, under a demonstration project,] shall make operating assistance
30 grants to nonprofit organizations in order to facilitate the production or rehabilitation of
31 limited income housing by nonprofit organizations or by individuals assisted by nonprofit
32 organizations if:

33 (1) The nonprofit organization meets performance and other standards
34 established by the Department; and

35 (2) The nonprofit organization has:

36 (i) Completed, or substantially completed, a loan application that has
37 been deemed acceptable by the Department to undertake a housing project which is
38 financed, in whole or in part, by the Department; or

3

1 (ii) Provided assistance to individuals making applications for loans
2 from the Department or a local government approved by the Department has certified
3 that the nonprofit organization's efforts were responsible for the origination of the
4 applications.

5 2-1204.

6 (a) Operating assistance grants made under this subtitle may not exceed amounts
7 established by the Department and may be calculated as:

8 (1) A fixed lump sum;

9 (2) A percentage of the costs of undertaking a project; or

10 (3) A percentage of the amount of the loan, if any, being financed by the
11 Department.

12 (b) Subject to § 2-1202 of this subtitle, a nonprofit organization may receive a
13 grant or grants for up to 3 years for capacity building purposes in each of the housing
14 development areas of rental housing programs, homeownership programs, and special
15 loan programs.

16 (c) A grant made under § 2-1202 of this subtitle may be for a term of up to 3 years
17 if, in the determination of the Department, the performance of the nonprofit
18 organization in the preceding year is acceptable and funds are appropriated and available
19 in the succeeding year.

20 (d) During any fiscal year, the total amount of all operating assistance grants
21 made under this subtitle shall be made from, and may not exceed 1 percent of the total
22 aggregate amount of budgeted moneys in the Rental Housing Programs Fund,
23 Homeownership Programs Fund, and Special Loan Programs Fund.

24 2-1205.

25 The Department shall adopt regulations to carry out this subtitle.

26 [2-1206.

27 The demonstration projects authorized under this subtitle shall terminate on June
28 30, 1997.]

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 June 1, 1997.