

HOUSE BILL 501

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2000 Regular Session
0lr1526
CF 0lr2369

By: **Delegates Cane, R. Baker, Baldwin, Benson, Burns, Conway, Eckardt,
Fulton, Griffith, Healey, Hill, Marriott, Moe, Morhaim, Oaks, Owings,
Turner, and Zirkin**

Introduced and read first time: February 4, 2000
Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Department of Housing and Community Development - Self-Help**
3 **Homeownership Technical Assistance Program**

4 FOR the purpose of establishing a Self-Help Homeownership Technical Assistance
5 Program in the Department of Housing and Community Development; defining
6 certain terms; establishing the purpose of the Program; requiring the
7 Department to administer the Program and adopt certain regulations, policies,
8 and procedures that encourage self-help homeownership throughout the State;
9 establishing certain conditions for the approval by the Department of project
10 applications; and generally relating to the Self-Help Homeownership Technical
11 Assistance Program and the development of opportunities for self-help
12 homeownership in the State.

13 BY adding to
14 Article 83B - Department of Housing and Community Development
15 Section 2-1501 through 2-1509, inclusive, to be under the new subtitle "Subtitle
16 15. Self-Help Homeownership Technical Assistance Program"
17 Annotated Code of Maryland
18 (1998 Replacement Volume and 1999 Supplement)

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

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

22 **SUBTITLE 15. SELF-HELP HOMEOWNERSHIP TECHNICAL ASSISTANCE PROGRAM.**

23 2-1501.

24 THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

1 (1) HOMEOWNERSHIP IS A STABILIZING FACTOR FOR COMMUNITIES
2 AND FAMILIES AND IS THE BEST WAY FOR LOW INCOME FAMILIES TO BUILD EQUITY
3 AND MOVE OUT OF POVERTY;

4 (2) THE AFFORDABILITY OF HOMEOWNERSHIP HAS WORSENERED OVER
5 THE LAST 20 YEARS BECAUSE INCOMES HAVE NOT KEPT PACE WITH THE RISING
6 COSTS OF HOMEOWNERSHIP;

7 (3) SELF-HELP HOUSING ASSISTS LOW INCOME HOUSEHOLDS TO MOVE
8 INTO HOMEOWNERSHIP, WHICH INCREASES THEIR FINANCIAL STABILITY;

9 (4) FAMILIES WORKING IN GROUPS TO COOPERATIVELY BUILD THEIR
10 HOMES ASSISTS IN CREATING STRONGER COMMUNITIES; AND

11 (5) THERE HAVE BEEN THREE SUCCESSFUL FEDERALLY FUNDED
12 SELF-HELP PROGRAMS IN MARYLAND AND MODELING A STATE SELF-HELP
13 OWNERSHIP PROGRAM ON A WELL-TESTED FEDERAL PROGRAM WILL INCREASE
14 HOMEOWNERSHIP OPPORTUNITIES FOR LOW INCOME HOUSEHOLDS ACROSS
15 MARYLAND.

16 2-1502.

17 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
18 INDICATED.

19 (B) "APPLICANT" MEANS ANY ELIGIBLE LOCAL JURISDICTION, PUBLIC ENTITY,
20 OR NONPROFIT ORGANIZATION WHO APPLIES FOR A TECHNICAL ASSISTANCE GRANT
21 UNDER THIS SUBTITLE.

22 (C) "FAMILIES OF LIMITED INCOME" MEANS FAMILIES OR PERSONS WHOSE
23 INCOMES DO NOT EXCEED UPPER INCOME LIMITS ESTABLISHED BY THE SECRETARY
24 TAKING INTO CONSIDERATION FACTORS INCLUDING:

25 (1) THE AMOUNT OF THE TOTAL INCOME OF SUCH FAMILIES AVAILABLE
26 FOR HOUSING NEEDS;

27 (2) THE SIZE OF THE FAMILY;

28 (3) THE COST AND CONDITION OF HOUSING FACILITIES AVAILABLE;

29 (4) THE ABILITY OF SUCH FAMILIES TO COMPETE SUCCESSFULLY IN
30 THE NORMAL PRIVATE HOUSING MARKET; AND

31 (5) STANDARDS AND DEFINITIONS ESTABLISHED FOR RELATED
32 FEDERAL AND STATE HOUSING PROGRAMS.

33 (D) "LOCAL JURISDICTION" MEANS A MUNICIPAL CORPORATION OR COUNTY.

34 (E) "OWNER-BUILDER" MEANS ANY INDIVIDUAL OR FAMILY WHO PROVIDES
35 ALL, OR A SUBSTANTIAL AMOUNT AS DETERMINED BY THE DEPARTMENT, OF THE

1 LABOR NECESSARY TO BUILD A HOUSING UNIT THAT WILL BE THE PRINCIPAL
2 RESIDENCE OF THAT INDIVIDUAL OR FAMILY.

3 (F) "OWNER-BUILDING" MEANS THE PROCESS ENGAGED IN BY
4 OWNER-BUILDERS IN THE CONSTRUCTION OF A PRINCIPAL RESIDENCE.

5 (G) "PRIORITY FUNDING AREA" MEANS A GEOGRAPHIC AREA OF THE STATE
6 DEFINED IN § 5-7B-02 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

7 (H) "PROGRAM" MEANS THE SELF-HELP HOMEOWNERSHIP TECHNICAL
8 ASSISTANCE PROGRAM.

9 (I) "PROJECT" MEANS 6 OR MORE HOUSING UNITS IN CLOSE PROXIMITY TO
10 ONE ANOTHER WHICH ARE BUILT OR REHABILITATED USING THE SELF-HELP
11 METHODS AND WITH WHICH THE OWNER-BUILDERS OR SELF-HELP
12 REHABILITATORS WORK AS A TEAM ON THE CONSTRUCTION OR REHABILITATION OF
13 EACH OTHERS' UNITS.

14 (J) "SELF-HELP REHABILITATOR" MEANS ANY INDIVIDUAL OR FAMILY WHO
15 PROVIDES ALL, OR A SUBSTANTIAL AMOUNT AS DETERMINED BY THE DEPARTMENT,
16 OF THE LABOR NECESSARY TO REHABILITATE, RENOVATE, OR IMPROVE THE
17 PRINCIPAL RESIDENCE OF THE INDIVIDUAL OR THE FAMILY.

18 (K) "SELF-HELP REHABILITATION" MEANS THE PROCESS ENGAGED IN BY
19 SELF-HELP REHABILITATORS IN THE REHABILITATION, RENOVATION, OR
20 IMPROVEMENT OF THEIR PRINCIPAL RESIDENCES.

21 (L) "TECHNICAL ASSISTANCE GRANT" MEANS A GRANT AWARDED BY THE
22 PROGRAM, WHICH ENABLES A LOCAL GOVERNMENT OR A NONPROFIT
23 ORGANIZATION TO PROVIDE TECHNICAL ASSISTANCE TO OWNER-BUILDERS AND
24 SELF-HELP REHABILITATORS.

25 2-1503.

26 (A) THERE IS A SELF-HELP HOMEOWNERSHIP TECHNICAL ASSISTANCE
27 PROGRAM IN THE DEPARTMENT.

28 (B) THE PURPOSE OF THE PROGRAM IS TO MAKE GRANTS FOR TECHNICAL
29 ASSISTANCE TO EXPAND:

30 (1) THE PRODUCTION OF DECENT AFFORDABLE HOUSING FOR FAMILIES
31 OF LIMITED INCOME THROUGH THE USE OF SELF-HELP METHODS OF
32 REHABILITATION AND CONSTRUCTION;

33 (2) THE HOMEOWNERSHIP OPPORTUNITIES FOR THOSE TO WHOM IT
34 WOULD OTHERWISE NOT BE AVAILABLE WITHOUT THE COST SAVINGS ACHIEVED BY
35 THE SELF-HELP METHOD; AND

36 (3) SELF-RELIANCE, PRIDE OF OWNERSHIP, AND SENSE OF COMMUNITY
37 FOR THOSE WHO PARTICIPATE.

1 2-1504.

2 THE DEPARTMENT SHALL:

3 (1) ADMINISTER THE PROGRAM;

4 (2) ESTABLISH GUIDELINES TO DETERMINE APPLICANT ELIGIBILITY
5 FOR TECHNICAL ASSISTANCE GRANTS; AND

6 (3) ADOPT REGULATIONS TO CARRY OUT THE SELF-HELP
7 HOMEOWNERSHIP TECHNICAL ASSISTANCE PROGRAM.

8 2-1505.

9 (A) THE DEPARTMENT MAY ESTABLISH CRITERIA TO DETERMINE ELIGIBILITY
10 FOR A TECHNICAL ASSISTANCE GRANT FROM THE PROGRAM, WHICH MAY INCLUDE:

11 (1) THE EXTENT TO WHICH THE REQUEST FOR FUNDS SERVES THE
12 LARGEST PROPORTION OF FAMILIES OF LIMITED INCOME; AND

13 (2) FACTORS FOR EVALUATION OF APPLICATIONS FOR TECHNICAL
14 ASSISTANCE GRANTS WHICH SHALL INCLUDE BUT NOT BE LIMITED TO:

15 (I) THE EXTENT TO WHICH THE APPLICANT USES AVAILABLE
16 FEDERAL, STATE, AND LOCAL PROGRAMS AND RESOURCES IN THE PROJECT;

17 (II) THE ORGANIZATIONAL CAPACITY OF THE APPLICANT TO CARRY
18 OUT THE PROJECT;

19 (III) THE FEASIBILITY OF THE PROJECT;

20 (IV) THE COST EFFECTIVENESS OF THE PROJECT IN TERMS OF PER
21 UNIT SELF-HELP HOUSING FUND COSTS; AND

22 (V) THE EXTENT TO WHICH PROJECT PARTICIPANTS USE
23 SELF-HELP LABOR.

24 (B) THE DEPARTMENT MAY REQUIRE THAT A PROJECT BE LOCATED WITHIN A
25 PRIORITY FUNDING AREA IN ORDER TO BE ELIGIBLE FOR A TECHNICAL ASSISTANCE
26 GRANT.

27 (C) THE DEPARTMENT MAY ADOPT REGULATIONS TO IMPLEMENT THIS
28 SECTION.

29 2-1506.

30 (A) THE DEPARTMENT MAY AWARD TECHNICAL ASSISTANCE GRANTS TO
31 LOCAL JURISDICTIONS AND NONPROFIT ORGANIZATIONS TO PROVIDE ASSISTANCE
32 TO FAMILIES OF LIMITED INCOME WHO ARE OWNER-BUILDERS OR SELF-HELP
33 REHABILITATORS FOR THE FOLLOWING PURPOSES:

1 (1) ASSISTANCE, TRAINING, AND SUPERVISION ON SELF-HELP
2 CONSTRUCTION ACTIVITIES AND TECHNIQUES;

3 (2) ASSISTANCE IN PROJECT DEVELOPMENT WHICH INCLUDES, BUT IS
4 NOT LIMITED TO, THE PREPARATION OF PLANS FOR SELF-HELP HOUSING,
5 PREPARATION OF CONTRACTS FOR PROFESSIONAL SERVICES, APPLICATION FOR
6 PROJECT FUNDING, PACKAGING HOUSEHOLDS' APPLICATIONS FOR ASSISTANCE,
7 PREPARATION OF SUBDIVISION MAPS, REVIEW OF ENGINEERING PLANS AND
8 SPECIFICATIONS FOR CONSTRUCTION AND REHABILITATION PROJECTS, AND
9 COMPLIANCE WITH APPROPRIATE REQUIREMENTS OF FUNDING AGENCIES AND
10 LOCAL GOVERNMENT; AND

11 (3) ADMINISTRATIVE COSTS OF PROVIDING TECHNICAL ASSISTANCE
12 FOR THE ACTIVITY FUNDED BY THE DEPARTMENT.

13 (B) TECHNICAL ASSISTANCE GRANTS SHALL NOT BE USED FOR THE
14 PURCHASE OF LAND, MATERIALS, TOOLS, AND CONSTRUCTION EQUIPMENT OR FOR
15 ANY COSTS OF CONSTRUCTION.

16 2-1507.

17 THE DEPARTMENT MAY AWARD TECHNICAL ASSISTANCE GRANTS TO LOCAL
18 JURISDICTIONS AND NONPROFIT ORGANIZATIONS TO PROVIDE OWNER-BUILDERS
19 AND SELF-HELP REHABILITATORS INFORMATION AND TECHNICAL ASSISTANCE,
20 INCLUDING:

21 (1) THE COST SAVINGS OF OWNER-BUILDING AND SELF-HELP
22 REHABILITATION;

23 (2) CONSTRUCTION MATERIALS AND METHODS;

24 (3) THE IDENTITY OF LOCAL MATERIAL SOURCES AND TECHNICAL
25 RESOURCES;

26 (4) FINANCING REQUIREMENTS AND OPPORTUNITIES;

27 (5) SITE ACQUISITION;

28 (6) INSURANCE AND LEGAL REQUIREMENTS;

29 (7) BUILDING CODES, STANDARDS, AND HOUSING CODES;

30 (8) OTHER AVAILABLE HOUSING ALTERNATIVES; AND

31 (9) ANY OTHER INFORMATION OR TECHNICAL ASSISTANCE
32 DETERMINED BY THE DEPARTMENT TO FURTHER THE PURPOSES OF THE PROGRAM.

1 2-1508.

2 THE DEPARTMENT MAY AWARD TECHNICAL ASSISTANCE GRANTS TO LOCAL
3 JURISDICTIONS AND NONPROFIT ORGANIZATIONS ON THE FOLLOWING TERMS AND
4 CONDITIONS:

5 (1) A BUDGET SETTING FORTH THE KINDS AND AMOUNTS OF
6 ALLOWABLE EXPENDITURES TO BE MADE WITH THE GRANT FUNDS;

7 (2) THE MANNER, TIMING, AND CONDITIONS FOR DISBURSEMENT OF
8 FUNDS TO GRANTEES;

9 (3) A TIMETABLE FOR COMPLETION OF EACH STAGE OF THE PROJECT
10 AND FOR FINAL PROJECT COMPLETION;

11 (4) TERMS NECESSARY TO ENSURE COMPLIANCE WITH THESE
12 REGULATIONS, ANY SPECIAL CONDITIONS IMPOSED BY GRANT APPROVAL, AND ANY
13 OTHER TERMS AND CONDITIONS SPECIFIED BY THE DEPARTMENT; AND

14 (5) FOR TECHNICAL ASSISTANCE GRANTS MADE UNDER THE PROGRAM,
15 THE DEPARTMENT MAY REQUIRE THAT A GRANT BE REPAID, IN WHOLE OR IN PART,
16 UPON THE OCCURRENCE OF CONDITIONS SPECIFIED BY THE DEPARTMENT.

17 2-1509.

18 (A) A TECHNICAL ASSISTANCE GRANT MAY NOT BE:

19 (1) MORE THAN 20 PERCENT OF THE AVERAGE PURCHASE PRICE, OVER
20 THE LAST 3 FISCAL YEARS FOR WHICH DATA IS AVAILABLE, OF A RESIDENCE
21 FINANCED BY A RESIDENTIAL MORTGAGE LOAN PURCHASED BY THE
22 ADMINISTRATION UNDER § 2-208 OF THIS ARTICLE IN THE GEOGRAPHICAL REGION
23 WHERE THE TECHNICAL ASSISTANCE GRANT IS TO BE AWARDED; AND

24 (2) AWARDED FOR A PROJECT OF FEWER THAN 6 HOUSING UNITS.

25 (B) THE TECHNICAL ASSISTANCE GRANT RECIPIENT SHALL COMPLETE THE
26 PROJECT WITHIN 2 YEARS FROM THE EFFECTIVE DATE OF THE GRANT UNLESS AN
27 EXTENSION OF THE GRANT TERM IS MADE AT THE DISCRETION OF THE
28 DEPARTMENT IN THE EVENT OF DELAYS IN PROJECT IMPLEMENTATION BEYOND
29 THE REASONABLE CONTROL OF THE GRANT RECIPIENT.

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
31 October 1, 2000.