
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

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 14, 2000

CHAPTER _____

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**

1 SUBTITLE 15. SELF-HELP HOMEOWNERSHIP TECHNICAL ASSISTANCE PROGRAM.

2 2-1501.

3 THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

4 (1) HOMEOWNERSHIP IS A STABILIZING FACTOR FOR COMMUNITIES
5 AND FAMILIES AND IS THE BEST WAY FOR LOW INCOME FAMILIES TO BUILD EQUITY
6 AND MOVE OUT OF POVERTY;7 (2) THE AFFORDABILITY OF HOMEOWNERSHIP HAS WORSENERED OVER
8 THE LAST 20 YEARS BECAUSE INCOMES HAVE NOT KEPT PACE WITH THE RISING
9 COSTS OF HOMEOWNERSHIP;10 (3) SELF-HELP HOUSING ASSISTS LOW INCOME HOUSEHOLDS TO MOVE
11 INTO HOMEOWNERSHIP, WHICH INCREASES THEIR FINANCIAL STABILITY;12 (4) FAMILIES WORKING IN GROUPS TO COOPERATIVELY BUILD THEIR
13 HOMES ASSISTS IN CREATING STRONGER COMMUNITIES; AND14 (5) THERE HAVE BEEN THREE SUCCESSFUL FEDERALLY FUNDED
15 SELF-HELP PROGRAMS IN MARYLAND AND MODELING A STATE SELF-HELP
16 OWNERSHIP PROGRAM ON A WELL-TESTED FEDERAL PROGRAM WILL INCREASE
17 HOMEOWNERSHIP OPPORTUNITIES FOR LOW INCOME HOUSEHOLDS ACROSS
18 MARYLAND.

19 2-1502.

20 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
21 INDICATED.22 (B) "APPLICANT" MEANS ANY ELIGIBLE LOCAL JURISDICTION, PUBLIC ENTITY,
23 OR NONPROFIT ORGANIZATION WHO APPLIES FOR A TECHNICAL ASSISTANCE GRANT
24 UNDER THIS SUBTITLE.25 (C) "FAMILIES OF LIMITED INCOME" MEANS FAMILIES OR PERSONS WHOSE
26 INCOMES DO NOT EXCEED UPPER INCOME LIMITS ESTABLISHED BY THE SECRETARY
27 TAKING INTO CONSIDERATION FACTORS INCLUDING:28 (1) THE AMOUNT OF THE TOTAL INCOME OF SUCH FAMILIES AVAILABLE
29 FOR HOUSING NEEDS;

30 (2) THE SIZE OF THE FAMILY;

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

32 (4) THE ABILITY OF SUCH FAMILIES TO COMPETE SUCCESSFULLY IN
33 THE NORMAL PRIVATE HOUSING MARKET; AND34 (5) STANDARDS AND DEFINITIONS ESTABLISHED FOR RELATED
35 FEDERAL AND STATE HOUSING PROGRAMS.

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

2 (E) "OWNER-BUILDER" MEANS ANY INDIVIDUAL OR FAMILY WHO PROVIDES
3 ALL, OR A SUBSTANTIAL AMOUNT AS DETERMINED BY THE DEPARTMENT, OF THE
4 LABOR NECESSARY TO BUILD A HOUSING UNIT THAT WILL BE THE PRINCIPAL
5 RESIDENCE OF THAT INDIVIDUAL OR FAMILY.

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

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

10 ~~(H)~~ (G) "PROGRAM" MEANS THE SELF-HELP HOMEOWNERSHIP TECHNICAL
11 ASSISTANCE PROGRAM.

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

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

21 ~~(K)~~ (J) "SELF-HELP REHABILITATION" MEANS THE PROCESS ENGAGED IN
22 BY SELF-HELP REHABILITATORS IN THE REHABILITATION, RENOVATION, OR
23 IMPROVEMENT OF THEIR PRINCIPAL RESIDENCES.

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

28 2-1503.

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

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

33 (1) THE PRODUCTION OF DECENT AFFORDABLE HOUSING FOR FAMILIES
34 OF LIMITED INCOME THROUGH THE USE OF SELF-HELP METHODS OF
35 REHABILITATION AND CONSTRUCTION;

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

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

6 2-1504.

7 THE DEPARTMENT SHALL:

8 (1) ADMINISTER THE PROGRAM;

9 (2) ESTABLISH GUIDELINES TO DETERMINE APPLICANT ELIGIBILITY
10 FOR TECHNICAL ASSISTANCE GRANTS; AND

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

13 2-1505.

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

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

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

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

22 (II) THE ORGANIZATIONAL CAPACITY OF THE APPLICANT TO CARRY
23 OUT THE PROJECT;

24 (III) THE FEASIBILITY OF THE PROJECT;

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

27 (V) THE EXTENT TO WHICH PROJECT PARTICIPANTS USE
28 SELF-HELP LABOR.

29 ~~(B) THE DEPARTMENT MAY REQUIRE THAT A PROJECT BE LOCATED WITHIN A~~
30 ~~PRIORITY FUNDING AREA IN ORDER TO BE ELIGIBLE FOR A TECHNICAL ASSISTANCE~~
31 ~~GRANT.~~

32 ~~(C)~~ (B) THE DEPARTMENT MAY ADOPT REGULATIONS TO IMPLEMENT THIS
33 SECTION.

1 2-1506.

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

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

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

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

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

21 2-1507.

22 THE DEPARTMENT MAY AWARD TECHNICAL ASSISTANCE GRANTS TO LOCAL
23 JURISDICTIONS AND NONPROFIT ORGANIZATIONS TO PROVIDE OWNER-BUILDERS
24 AND SELF-HELP REHABILITATORS INFORMATION AND TECHNICAL ASSISTANCE,
25 INCLUDING:

26 (1) THE COST SAVINGS OF OWNER-BUILDING AND SELF-HELP
27 REHABILITATION;

28 (2) CONSTRUCTION MATERIALS AND METHODS;

29 (3) THE IDENTITY OF LOCAL MATERIAL SOURCES AND TECHNICAL
30 RESOURCES;

31 (4) FINANCING REQUIREMENTS AND OPPORTUNITIES;

32 (5) SITE ACQUISITION;

33 (6) INSURANCE AND LEGAL REQUIREMENTS;

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

35 (8) OTHER AVAILABLE HOUSING ALTERNATIVES; AND

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

3 2-1508.

4 (A) THE DEPARTMENT MAY AWARD TECHNICAL ASSISTANCE GRANTS TO
5 LOCAL JURISDICTIONS AND NONPROFIT ORGANIZATIONS ON THE FOLLOWING
6 TERMS AND CONDITIONS:

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

9 (2) THE MANNER, TIMING, AND CONDITIONS FOR DISBURSEMENT OF
10 FUNDS TO GRANTEEES;

11 (3) A TIMETABLE FOR COMPLETION OF EACH STAGE OF THE PROJECT
12 AND FOR FINAL PROJECT COMPLETION; AND

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

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

20 2-1509.

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

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

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

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

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

