

SENATE BILL 514

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2000 Regular Session
Olr2369
CF 0lr1526

By: **Senators McFadden, Mitchell, and Hoffman**
Introduced and read first time: February 4, 2000
Assigned to: Economic and Environmental Affairs

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:

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

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

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

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

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

13 2-1502.

14 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
15 INDICATED.

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

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

22 (1) THE AMOUNT OF THE TOTAL INCOME OF SUCH FAMILIES AVAILABLE
23 FOR HOUSING NEEDS;

24 (2) THE SIZE OF THE FAMILY;

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

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

28 (5) STANDARDS AND DEFINITIONS ESTABLISHED FOR RELATED
29 FEDERAL AND STATE HOUSING PROGRAMS.

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

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

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

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

3 (H) "PROGRAM" MEANS THE SELF-HELP HOMEOWNERSHIP TECHNICAL
4 ASSISTANCE PROGRAM.

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

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

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

17 (L) "TECHNICAL ASSISTANCE GRANT" MEANS A GRANT AWARDED BY THE
18 PROGRAM, WHICH ENABLES A LOCAL GOVERNMENT OR A NONPROFIT
19 ORGANIZATION TO PROVIDE TECHNICAL ASSISTANCE TO OWNER-BUILDERS AND
20 SELF-HELP REHABILITATORS.

21 2-1503.

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

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

26 (1) THE PRODUCTION OF DECENT AFFORDABLE HOUSING FOR FAMILIES
27 OF LIMITED INCOME THROUGH THE USE OF SELF-HELP METHODS OF
28 REHABILITATION AND CONSTRUCTION;

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

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

34 2-1504.

35 THE DEPARTMENT SHALL:

36 (1) ADMINISTER THE PROGRAM;

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

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

5 2-1505.

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

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

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

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

14 (II) THE ORGANIZATIONAL CAPACITY OF THE APPLICANT TO CARRY
15 OUT THE PROJECT;

16 (III) THE FEASIBILITY OF THE PROJECT;

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

19 (V) THE EXTENT TO WHICH PROJECT PARTICIPANTS USE
20 SELF-HELP LABOR.

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

24 (C) THE DEPARTMENT MAY ADOPT REGULATIONS TO IMPLEMENT THIS
25 SECTION.

26 2-1506.

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

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

33 (2) ASSISTANCE IN PROJECT DEVELOPMENT WHICH INCLUDES, BUT IS
34 NOT LIMITED TO, THE PREPARATION OF PLANS FOR SELF-HELP HOUSING,
35 PREPARATION OF CONTRACTS FOR PROFESSIONAL SERVICES, APPLICATION FOR

1 PROJECT FUNDING, PACKAGING HOUSEHOLDS' APPLICATIONS FOR ASSISTANCE,
2 PREPARATION OF SUBDIVISION MAPS, REVIEW OF ENGINEERING PLANS AND
3 SPECIFICATIONS FOR CONSTRUCTION AND REHABILITATION PROJECTS, AND
4 COMPLIANCE WITH APPROPRIATE REQUIREMENTS OF FUNDING AGENCIES AND
5 LOCAL GOVERNMENT; AND

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

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

11 2-1507.

12 THE DEPARTMENT MAY AWARD TECHNICAL ASSISTANCE GRANTS TO LOCAL
13 JURISDICTIONS AND NONPROFIT ORGANIZATIONS TO PROVIDE OWNER-BUILDERS
14 AND SELF-HELP REHABILITATORS INFORMATION AND TECHNICAL ASSISTANCE,
15 INCLUDING:

16 (1) THE COST SAVINGS OF OWNER-BUILDING AND SELF-HELP
17 REHABILITATION;

18 (2) CONSTRUCTION MATERIALS AND METHODS;

19 (3) THE IDENTITY OF LOCAL MATERIAL SOURCES AND TECHNICAL
20 RESOURCES;

21 (4) FINANCING REQUIREMENTS AND OPPORTUNITIES;

22 (5) SITE ACQUISITION;

23 (6) INSURANCE AND LEGAL REQUIREMENTS;

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

25 (8) OTHER AVAILABLE HOUSING ALTERNATIVES; AND

26 (9) ANY OTHER INFORMATION OR TECHNICAL ASSISTANCE
27 DETERMINED BY THE DEPARTMENT TO FURTHER THE PURPOSES OF THE PROGRAM.
28 2-1508.

29 THE DEPARTMENT MAY AWARD TECHNICAL ASSISTANCE GRANTS TO LOCAL
30 JURISDICTIONS AND NONPROFIT ORGANIZATIONS ON THE FOLLOWING TERMS AND
31 CONDITIONS:

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

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

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

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

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

11 2-1509.

12 (A) A TECHNICAL ASSISTANCE GRANT SHALL:

13 (1) BE NO MORE THAN 15 PERCENT OF THE PURCHASE PRICE OF THE
14 HOUSING UNIT; AND

15 (2) NOT BE AWARDED FOR A PROJECT OF FEWER THAN 6 HOUSING
16 UNITS.

17 (B) THE TECHNICAL ASSISTANCE GRANT RECIPIENT SHALL COMPLETE THE
18 PROJECT WITHIN 2 YEARS FROM THE EFFECTIVE DATE OF THE GRANT UNLESS AN
19 EXTENSION OF THE GRANT TERM IS MADE AT THE DISCRETION OF THE
20 DEPARTMENT IN THE EVENT OF DELAYS IN PROJECT IMPLEMENTATION BEYOND
21 THE REASONABLE CONTROL OF THE GRANT RECIPIENT.

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