

SENATE BILL 514

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2000 Regular Session
0lr2369
CF 0lr1526

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

Committee Report: Favorable with amendments
Senate action: Adopted with floor amendments
Read second time: March 9, 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;
6 providing that funding for the Program shall be as provided in the State budget;
7 defining certain terms; establishing the purpose of the Program; requiring the
8 Department to administer the Program and adopt certain regulations, policies,
9 and procedures that encourage self-help homeownership throughout the State;
10 establishing certain conditions for the approval by the Department of project
11 applications; and generally relating to the Self-Help Homeownership Technical
12 Assistance Program and the development of opportunities for self-help
13 homeownership in the State.

14 BY adding to
15 Article 83B - Department of Housing and Community Development
16 Section 2-1501 through 2-1509, inclusive, to be under the new subtitle "Subtitle
17 15. Self-Help Homeownership Technical Assistance Program"
18 Annotated Code of Maryland
19 (1998 Replacement Volume and 1999 Supplement)

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

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

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

3 2-1501.

4 THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

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

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

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

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

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

20 2-1502.

21 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
22 INDICATED.

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

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

29 (1) THE AMOUNT OF THE TOTAL INCOME OF SUCH FAMILIES AVAILABLE
30 FOR HOUSING NEEDS;

31 (2) THE SIZE OF THE FAMILY;

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

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

1 (5) STANDARDS AND DEFINITIONS ESTABLISHED FOR RELATED
2 FEDERAL AND STATE HOUSING PROGRAMS.

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

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

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

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

12 (H) "PROGRAM" MEANS THE SELF-HELP HOMEOWNERSHIP TECHNICAL
13 ASSISTANCE PROGRAM.

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

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

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

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

30 2-1503.

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

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

35 (1) THE PRODUCTION OF DECENT AFFORDABLE HOUSING FOR FAMILIES
36 OF LIMITED INCOME THROUGH THE USE OF SELF-HELP METHODS OF
37 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 (C) FUNDING FOR THE PROGRAM SHALL BE AS PROVIDED IN THE STATE
7 BUDGET.

8 2-1504.

9 THE DEPARTMENT SHALL:

10 (1) ADMINISTER THE PROGRAM;

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

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

15 2-1505.

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

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

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

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

24 (II) THE ORGANIZATIONAL CAPACITY OF THE APPLICANT TO CARRY
25 OUT THE PROJECT;

26 (III) THE FEASIBILITY OF THE PROJECT;

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

29 (V) THE EXTENT TO WHICH PROJECT PARTICIPANTS USE
30 SELF-HELP LABOR.

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

1 (C) THE DEPARTMENT MAY ADOPT REGULATIONS TO IMPLEMENT THIS
2 SECTION.

3 2-1506.

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

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

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

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

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

23 2-1507.

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

28 (1) THE COST SAVINGS OF OWNER-BUILDING AND SELF-HELP
29 REHABILITATION;

30 (2) CONSTRUCTION MATERIALS AND METHODS;

31 (3) THE IDENTITY OF LOCAL MATERIAL SOURCES AND TECHNICAL
32 RESOURCES;

33 (4) FINANCING REQUIREMENTS AND OPPORTUNITIES;

34 (5) SITE ACQUISITION;

35 (6) INSURANCE AND LEGAL REQUIREMENTS;

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

1 (8) OTHER AVAILABLE HOUSING ALTERNATIVES; AND

2 (9) ANY OTHER INFORMATION OR TECHNICAL ASSISTANCE
3 DETERMINED BY THE DEPARTMENT TO FURTHER THE PURPOSES OF THE PROGRAM.
4 2-1508.

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

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

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

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

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

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

21 2-1509.

22 (A) A TECHNICAL ASSISTANCE GRANT SHALL:

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

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

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

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

