

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

House Bill 657

(Montgomery County Delegation)

Environmental Matters

Education, Health, and Environmental
Affairs

Montgomery County - Housing Opportunities Commission - Powers
MC 611-06

This bill authorizes the Montgomery County Housing Opportunities Commission (MCHOC) to enter into development agreements outside of Montgomery County in order to provide low-income housing for individuals and families who meet specified income guidelines. It also authorizes MCHOC to enter into contracts to furnish services, consultation, and assistance to other persons and housing authorities either in or out of State to assist in providing such housing.

Fiscal Summary

State Effect: None. The bill would affect local government operations only.

Local Effect: Potential revenue increase for MCHOC from consulting fees.

Small Business Effect: Minimal.

Analysis

Current Law: MCHOC has the authority to make mortgage loans or rent subsidy payments for eligible low-income persons, make construction and long-term mortgage loans to specified persons or business entities in order to produce housing for eligible low-income persons, and purchase mortgages secured by housing for eligible low-income people.

Background: MCHOC serves as the public housing agency for Montgomery County and manages more than 1,500 units of public housing, as well as administers the federal Housing Choice Voucher program (formerly known as Section 8). MCHOC also develops affordable housing; offers rental units to moderate-income earners; and enters into joint ventures, partnership, and development agreements within Montgomery County to help develop and finance affordable housing. In addition, MCHOC issues housing bonds, provides financing for income-qualified first-time homebuyers, and provides information about affordable housing to the public through its Housing Resource Service.

Local Fiscal Effect: MCHOC revenues could potentially increase from fees for consulting services or from other agreements with other housing authorities; however, the magnitude of the increase cannot be reliably estimated at this time.

Small Business Effect: Small businesses that contracted with MCHOC for consulting services or otherwise enter into an agreement with MCHOC to produce low-income housing would generate more business, as well as possibly having to pay consulting fees; however, as MCHOC advises that their primary market for consulting services and agreements would be other housing authorities, this effect is likely to be minimal.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Planning, Montgomery County, Department of Legislative Services

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ncs/hlb

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