

HOUSE BILL 231

C8

8lr0059

By: **Chair, Environmental Matters Committee (By Request - Departmental - Housing and Community Development)**

Introduced and read first time: January 23, 2008

Assigned to: Environmental Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 26, 2008

CHAPTER _____

1 AN ACT concerning

2 **Department of Housing and Community Development - Community**
3 **Development Administration - Rental Assistance Programs**

4 FOR the purpose of repealing a certain Rental Allowance Program; establishing a
5 certain Rental Allowance Program and certain rental assistance programs in
6 the Department of Housing and Community Development; requiring the
7 Department to administer the Rental Allowance Program to assist certain
8 households under certain circumstances; requiring the Secretary of Housing
9 and Community Development to establish certain eligibility requirements,
10 certain standards for eligible dwelling units, and certain payment amounts
11 under the Rental Allowance Program; prohibiting certain funds appropriated
12 through the Rental Allowance Program from being used for certain other
13 programs; authorizing the Secretary to adopt regulations to carry out the Rental
14 Allowance Program; authorizing the Department of Housing and Community
15 Development to provide financial assistance to establish and administer certain
16 rental assistance programs for certain households; requiring the Secretary of
17 Housing and Community Development to adopt certain regulations and
18 guidelines; authorizing the administration of this Act criteria for certain rental
19 assistance programs; requiring the Department to consult with certain other
20 agencies in establishing rental housing programs under certain circumstances;
21 declaring the intent of the General Assembly; defining a certain term; and
22 generally relating to rental assistance programs within in the Department of
23 Housing and Community Development.

24 BY repealing

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Article – Housing and Community Development
2 Section 4–1401 through 4–1408 and the subtitle “Subtitle 14. Rental Allowance
3 Program”
4 Annotated Code of Maryland
5 (2006 Volume and 2007 Supplement)

6 BY repealing and reenacting, with amendments,
7 Article – Housing and Community Development
8 Section 4–103
9 Annotated Code of Maryland
10 (2006 Volume and 2007 Supplement)

11 BY adding to
12 Article – Housing and Community Development
13 Section 4–1401 through ~~4–1405~~ 4–1406 to be under the new subtitle “Subtitle
14 14. Rental Assistance Programs”
15 Annotated Code of Maryland
16 (2006 Volume and 2007 Supplement)

17 Preamble

18 WHEREAS, The Department of Housing and Community Development provides
19 housing assistance to households at risk of homelessness, persons with disabilities,
20 disaster evacuees, and others with critical or emergency housing needs through
21 various programs and under various statutory provisions; and

22 WHEREAS, The Department wishes to continue to provide such assistance and
23 to update its programs to ensure it can address the needs of different populations in
24 current and future housing markets; and

25 WHEREAS, Statutory changes are necessary to clarify the Department’s
26 authority and provide flexibility to enable the Department to meet the housing
27 affordability issues confronting Maryland’s residents today and tomorrow; now,
28 therefore,

29 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
30 MARYLAND, That Section(s) 4–1401 through 4–1408 and the subtitle “Subtitle 14.
31 Rental Allowance Program” of Article – Housing and Community Development of the
32 Annotated Code of Maryland be repealed.

33 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
34 read as follows:

35 **Article – Housing and Community Development**

36 4–103.

37 The Division includes:

- 1 (1) the Community Development Administration;
- 2 (2) the Down Payment and Settlement Expense Loan Program;
- 3 (3) the Elderly Rental Housing Program;
- 4 (4) federal and State weatherization programs;
- 5 (5) the Group Home Financing Program;
- 6 (6) the Lead Hazard Reduction Grant Program;
- 7 (7) the Lead Hazard Reduction Loan Program;
- 8 (8) the local government infrastructure program;
- 9 (9) the Maryland Home Financing Program;
- 10 (10) the Maryland Housing Rehabilitation Program;
- 11 (11) the Neighborhood Housing Services Fund;
- 12 (12) the Operating Assistance Grants Demonstration Projects;
- 13 (13) the Partnership Rental Housing Program;
- 14 (14) the Radium Pilot Grant Program;
- 15 (15) the ~~¶~~Rental Allowance Program~~¶~~ **AND OTHER RENTAL**
- 16 **ASSISTANCE PROGRAMS;**
- 17 (16) the Rental Housing Production Program; and
- 18 (17) the Self-Help Homeownership Technical Assistance Program.

19 **SUBTITLE 14. RENTAL ASSISTANCE PROGRAMS.**

20 **4-1401.**

21 **IN THIS SUBTITLE, “PROGRAMS” MEANS ~~THE~~ RENTAL ASSISTANCE**
22 **PROGRAMS OTHER THAN THE RENTAL ALLOWANCE PROGRAM ESTABLISHED**
23 **UNDER § 4-1403 OF THIS SUBTITLE.**

24 **4-1402.**

1 **THERE ARE THE RENTAL ALLOWANCE PROGRAM AND OTHER RENTAL**
2 **ASSISTANCE PROGRAMS IN THE DEPARTMENT.**

3 **4-1403.**

4 **(A) THE DEPARTMENT SHALL ADMINISTER THE RENTAL ALLOWANCE**
5 **PROGRAM TO ASSIST LOW-INCOME HOUSEHOLDS THAT ARE HOMELESS OR AT**
6 **RISK OF BEING HOMELESS BY PROVIDING HOUSING ASSISTANCE PAYMENTS TO**
7 **OR ON BEHALF OF ELIGIBLE HOUSEHOLDS.**

8 **(B) THE SECRETARY SHALL ESTABLISH:**

9 **(1) INCOME LIMITS FOR ELIGIBILITY OF LOW-INCOME**
10 **HOUSEHOLDS NOT EXCEEDING 30% OF THE STATE OR AREA MEDIAN INCOME,**
11 **WHICHEVER IS HIGHER; AND**

12 **(2) MINIMUM STANDARDS FOR ELIGIBLE DWELLING UNITS.**

13 **(C) THE SECRETARY SHALL ESTABLISH THE AMOUNT OF PAYMENTS**
14 **MADE THROUGH THE RENTAL ALLOWANCE PROGRAM, TAKING INTO ACCOUNT**
15 **FACTORS IDENTIFIED IN § 4-1405(D) OF THIS SUBTITLE.**

16 **(D) ELIGIBLE USES OF PAYMENTS MAY INCLUDE RENT, SECURITY**
17 **DEPOSITS, UTILITIES, AND OTHER HOUSING-RELATED EXPENSES.**

18 **(E) THE DEPARTMENT MAY ADMINISTER THE RENTAL ALLOWANCE**
19 **PROGRAM BY PROVIDING MONTHLY HOUSING ASSISTANCE PAYMENTS TO OR ON**
20 **BEHALF OF ELIGIBLE HOUSEHOLDS DIRECTLY OR THROUGH POLITICAL**
21 **SUBDIVISIONS, THEIR LOCAL HOUSING AGENCIES OR DEPARTMENTS, OR**
22 **NONPROFIT ORGANIZATIONS.**

23 **(F) FUNDS APPROPRIATED TO SERVE LOW-INCOME HOUSEHOLDS**
24 **THROUGH THE RENTAL ALLOWANCE PROGRAM MAY NOT BE USED FOR OTHER**
25 **PROGRAMS AUTHORIZED UNDER THIS SUBTITLE.**

26 **(G) THE DEPARTMENT MAY ADOPT REGULATIONS TO CARRY OUT THE**
27 **RENTAL ALLOWANCE PROGRAM, INCLUDING TIME FRAMES FOR ASSISTANCE**
28 **AND OTHER CRITERIA THE SECRETARY CONSIDERS APPROPRIATE.**

29 **~~4-1403.~~ 4-1404.**

30 **THE DEPARTMENT IS AUTHORIZED TO MAY ESTABLISH AND ADMINISTER**
31 **RENTAL ASSISTANCE PROGRAMS, INCLUDING PROGRAMS TO ASSIST**
32 **HOUSEHOLDS THAT:**

- 1 (1) **ARE HOMELESS OR AT RISK OF HOMELESSNESS;**
- 2 (2) **INCLUDE AN INDIVIDUAL WITH A DISABILITY OR SPECIAL**
3 **NEED;**
- 4 (3) **HAVE BEEN DISPLACED OR OTHERWISE IMPACTED BY**
5 **DISASTER; OR**
- 6 (4) **HAVE A CRITICAL OR EMERGENCY HOUSING NEED.**

7 ~~4-1404.~~ 4-1405.

8 (A) **THE DEPARTMENT MAY ADMINISTER THE PROGRAMS BY**
9 **PROVIDING MONTHLY HOUSING ASSISTANCE PAYMENTS TO OR ON BEHALF OF**
10 **ELIGIBLE HOUSEHOLDS DIRECTLY OR THROUGH POLITICAL SUBDIVISIONS,**
11 **THEIR LOCAL HOUSING AGENCIES OR DEPARTMENTS, OR NONPROFIT**
12 **ORGANIZATIONS.**

13 (B) **IN ESTABLISHING THE PROGRAMS, THE DEPARTMENT SHALL**
14 **CONSULT WITH, AS APPROPRIATE:**

- 15 (1) **THE DEPARTMENT OF HUMAN RESOURCES;**
- 16 (2) **THE DEPARTMENT OF DISABILITIES; OR**
- 17 (3) **ANY OTHER UNIT OF STATE OR LOCAL GOVERNMENT.**

18 (C) **THE SECRETARY SHALL ESTABLISH CRITERIA FOR THE PROGRAMS,**
19 **INCLUDING:**

- 20 (1) **INCOME LIMITS FOR ELIGIBILITY OF HOUSEHOLDS;**
- 21 (2) **TIME FRAMES FOR ASSISTANCE;**
- 22 (3) **MONTHLY ASSISTANCE AMOUNTS;**
- 23 (4) **STANDARDS FOR ELIGIBLE DWELLING UNITS, INCLUDING**
24 **TYPES OF UNITS, INSPECTION STANDARDS, AND RENT LIMITS;**
- 25 (5) **ELIGIBLE USES OF ASSISTANCE PAYMENTS WHICH MAY**
26 **INCLUDE SECURITY DEPOSITS, UTILITIES, AND OTHER HOUSING RELATED**
27 **EXPENSES; AND**
- 28 (6) **ANY OTHER CRITERIA THE SECRETARY ~~DEEMS~~ CONSIDERS**
29 **APPROPRIATE.**

1 (D) IN ESTABLISHING THE PROGRAM CRITERIA, THE SECRETARY MAY
2 CONSIDER FACTORS THAT INCLUDE:

3 (1) HOUSEHOLD SIZE AND EXPECTED AVERAGE INCOME;

4 (2) REGIONAL VARIATIONS THROUGHOUT THE STATE;

5 (3) TYPICAL HOUSING COSTS AND EXPENSES;

6 (4) RELEVANT STANDARDS AND DEFINITIONS ESTABLISHED FOR
7 STATE AND FEDERAL HOUSING PROGRAMS;

8 (5) HOUSING NEEDS OF ELIGIBLE HOUSEHOLDS AND THE
9 EXPECTED DURATION OF THE HOUSING NEEDS; AND

10 (6) EQUITABLE DISTRIBUTION OF FUNDS STATEWIDE.

11 (E) THE SECRETARY MAY ESTABLISH DIFFERENT CRITERIA FOR
12 DIFFERENT PROGRAMS.

13 ~~4-1405.~~ 4-1406.

14 THE DEPARTMENT MAY ADOPT REGULATIONS TO CARRY OUT THE
15 PROGRAMS.

16 SECTION 3. AND BE IT FURTHER ENACTED, That it is the intent of the
17 General Assembly that:

18 (1) the existing Rental Allowance Program as administered by the
19 Department of Housing and Community Development under the statute repealed by
20 under Section 1 of this Act continue ~~and become the rental assistance program for~~
21 ~~households that are homeless or at risk of homelessness~~ as the Rental Allowance
22 Program created under § 4-1403 of the Housing and Community Development Article,
23 as enacted by under Section 2 of this Act; and ~~that~~

24 (2) the Department continue to use the existing network of Rental
25 Allowance Program ~~providers for rental assistance for homeless populations provided~~
26 ~~those entities are interested in continuing to manage the program~~ administrators.

27 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 July 1, 2008.