

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 672

(Delegate Valentino-Smith, *et al.*)

Environment and Transportation

Budget and Taxation

**Housing – Local Housing Grant Program for Homeless Veterans and Survivors
of Domestic Violence**

This bill establishes the Local Housing Grant Program for Homeless Veterans and Survivors of Domestic Violence to provide grants to counties for housing vouchers to be given to homeless veterans and survivors of domestic violence. The Department of Housing and Community Development (DHCD) must administer the program, establish procedures for receiving and evaluating grant applications, and adopt implementing regulations.

Fiscal Summary

State Effect: General fund expenditures increase by \$2.0 million annually beginning in FY 2020, as discussed below. DHCD can likely administer the program with existing resources. Revenues are not affected.

(in dollars)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Net Effect	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: County grant revenues increase by \$2.0 million annually beginning in FY 2020. County grant expenditures increase correspondingly.

Small Business Effect: None.

Analysis

Bill Summary: DHCD may establish application preferences for counties that (1) provide an additional 25% of county dedicated funding or voucher matching; (2) enact ordinances prohibiting discrimination in housing on the basis of an individual's source of income; or (3) adopt a "Housing First" policy, as defined by DHCD.

Money expended from the program is supplemental to and is not intended to take the place of funding that otherwise would be appropriated by DHCD to address homelessness.

Current Law/Background: The majority of State-funded homeless service grants are managed by DHCD; the Office of Community Programs within DHCD oversees efforts to reduce homelessness in the State. DHCD does not provide direct housing placement or emergency support services specifically to homeless individuals; instead, it coordinates with and awards grant funding to local administering agencies and service providers to support various programs.

Within DHCD's portfolio, the Shelter and Transitional Housing Facilities Grant Program provides grants to local governments and nonprofit organizations for the creation of emergency shelters and transitional housing for individuals and families. The Governor's proposed fiscal 2020 capital budget includes \$4.0 million in general obligation bond funding for the shelter and transitional housing programs.

The Maryland Interagency Council on Homelessness Point-in-Time count for 2017 reported that there were 536 homeless veterans and 800 homeless survivors of domestic violence in Maryland.

State Expenditures: General fund expenditures increase by \$2.0 million annually beginning in fiscal 2020 to implement a viable grant program and to provide meaningful funding to counties to use for rapid or permanent housing for eligible homeless veterans and survivors of domestic violence. DHCD advises that the department can administer the program with existing resources as long as funding does not exceed \$2.0 million annually.

To the extent there are a significant number of applications from counties or to the extent more than \$2.0 million in annual funding is provided for the program, DHCD may require additional staff to review applications and distribute program grants. If this occurs, DHCD may request additional resources through the annual budget process.

Local Fiscal Effect: County grant revenues increase by \$2.0 million annually beginning in fiscal 2020 due to the establishment of the grant program. County grant expenditures

increase correspondingly to provide rapid or permanent housing voucher funds for homeless veterans and survivors of domestic violence. County expenditures may increase should counties offer matching funds in order to receive preference from DHCD when considering grant applications. However, any participation by counties is voluntary.

Additional Information

Prior Introductions: None.

Cross File: SB 810 (Senator Peters) - Budget and Taxation.

Information Source(s): Department of Housing and Community Development; Department of Budget and Management; Department of Veterans Affairs; Harford and Montgomery counties; Department of Legislative Services

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