

# HOUSE BILL 127

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(PRE-FILED)

5lr0154  
CF SB 238

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By: **Chair, Environment and Transportation Committee (By Request –  
Departmental – Housing and Community Development)**

Requested: October 6, 2024

Introduced and read first time: January 8, 2025

Assigned to: Environment and Transportation

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Committee Report: Favorable

House action: Adopted

Read second time: February 11, 2025

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Department of Housing and Community Development – Maryland Housing**  
3 **Rehabilitation Program – Local Rehabilitation Program Administration**

4 FOR the purpose of expanding the entities eligible to administer local rehabilitation  
5 programs to include certain nonprofit sponsors; and generally relating to the  
6 administration of the Maryland Housing Rehabilitation Program.

7 BY repealing and reenacting, without amendments,  
8 Article – Housing and Community Development  
9 Section 4–901(a), (h), and (i)  
10 Annotated Code of Maryland  
11 (2019 Replacement Volume and 2024 Supplement)

12 BY repealing and reenacting, with amendments,  
13 Article – Housing and Community Development  
14 Section 4–901(e), 4–911, and 4–914  
15 Annotated Code of Maryland  
16 (2019 Replacement Volume and 2024 Supplement)

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

19 **Article – Housing and Community Development**

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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 4-901.

2 (a) In this subtitle the following words have the meanings indicated.

3 (e) "Local rehabilitation program" means a rehabilitation program that uses  
4 Program loans and is administered by a political subdivision **OR A NONPROFIT SPONSOR**.

5 (h) "Nonprofit sponsor" means:

6 (1) a nonprofit organization;

7 (2) a political subdivision; or

8 (3) a limited partnership formed to undertake a rehabilitation project that  
9 is eligible wholly or partly for federal programs or incentives, if:

10 (i) each general partner is a nonprofit organization or a political  
11 subdivision; or

12 (ii) 1. each general partner is a wholly owned subsidiary of a  
13 nonprofit organization or political subdivision; and

14 2. a nonprofit organization or political subdivision manages  
15 the rehabilitation project or will receive net cash flow or the residual sale proceeds on the  
16 sale of the rehabilitation project.

17 (i) "Program" means the Maryland Housing Rehabilitation Program.

18 4-911.

19 (a) To ensure that all areas of the State are served, the Department shall allocate  
20 at least annually among the counties the money appropriated for making Program loans  
21 under the Regular Rehabilitation Program.

22 (b) When allocating money to a county, the Department shall consider:

23 (1) the number of families of limited income in the county;

24 (2) the need to rehabilitate buildings in the county;

25 (3) the capability of the county to administer a local rehabilitation  
26 program; and

27 (4) other standards that the Department considers relevant to ensure fair  
28 and equitable distribution of money among counties.

1 (c) The Department may:

2 (1) allocate on a countywide basis first and then make suballocations  
3 among participating municipal corporations **AND NONPROFIT SPONSORS** within counties;

4 (2) allocate up to 25% of the total money available in the Special Loan  
5 Programs Fund to a reserve; and

6 (3) from time to time, reallocate the money held in the reserve.

7 4-914.

8 (a) If the Department certifies a political subdivision **OR NONPROFIT SPONSOR**  
9 as capable of administering a local rehabilitation program, the political subdivision **OR**  
10 **NONPROFIT SPONSOR** may originate and administer Program loans under regulations of  
11 the Department.

12 (b) (1) By regulation, the Department shall establish standards for  
13 determining the capability of a political subdivision **OR NONPROFIT SPONSOR** to  
14 administer a local rehabilitation program.

15 (2) The standards shall include provisions on:

16 (i) the size, training, and experience of the professional staff that  
17 would administer the Program; and

18 (ii) the capability of the professional staff to:

19 1. determine rehabilitation needs;

20 2. establish rehabilitation programs;

21 3. evaluate applications for Program loans; and

22 4. monitor Program loans and the rehabilitation work done  
23 with them.

24 (c) If the Department determines that a political subdivision **OR NONPROFIT**  
25 **SPONSOR** cannot or does not want to administer a local rehabilitation program, the  
26 Department may originate and administer Program loans from the allocation or  
27 suballocation to that political subdivision.

28 (d) The Department may:

1 (1) help train employees of political subdivisions **AND NONPROFIT**  
2 **SPONSORS** to administer local rehabilitation programs under the standards that the  
3 Department sets; and

4 (2) provide political subdivisions **AND NONPROFIT SPONSORS** advice and  
5 technical assistance on the administration of their local rehabilitation programs, including  
6 loan packaging, contractor and bid selection, zoning, marketing, engineering, and related  
7 services.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
9 1, 2025.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.