

DATE: February 18, 2025
BILL NO.: House Bill 716
TITLE: Statewide Rental Assistance Voucher Program Eligibility - Alterations
COMMITTEE: House Environment and Transportation Committee

Letter of Support

Description of Bill:

House Bill 716 includes several updates and technical fixes to Maryland’s Statewide Rental Assistance Voucher Program, including:

- Including DHCD in the definition of “public housing agency” for the purposes of administering the Program;
- Authorizing DHCD to project-base up to 100% of authorized voucher units;
- Removing the requirement that PHAs equally prioritize certain priority groups in distribution of vouchers and housing assistance payments;
- Updating inspection guidelines to bring them in line with federal standards;
- Bringing the percentage of adjusted gross monthly income families receiving voucher payments are expected to pay toward housing in line with federal standards; and
- Altering the amount distributed to local public housing agencies for administrative expenses to match federal standards.

Background and Analysis:

The Statewide Rental Assistance Voucher Program, enacted in 2023, provides vouchers and housing assistance payments for low-income families that are on a waiting list under the federal Housing Choice Voucher Program. The state program plays a crucial role in assisting families on the federal waiting list but has been hampered by high administrative costs and lack of participation by some local public housing agencies. House Bill 716 addresses these issues and increases the effectiveness of the program in a number of ways:

- Including DHCD in the definition of “public housing agency” and allowing DHCD to project-base authorized voucher units (i.e., attaching vouchers to particular properties rather than individuals) allows DHCD to efficiently administer the program in areas where local PHAs do not administer the program;
- Removing the requirement that PHAs *equally* prioritize vouchers and housing assistance payments for families that include children, veterans, disabled individuals, etc. lowers the administrative burden for PHAs while still ensuring these families receive priority;
- Updating inspection guidelines and expected family contributions to bring them in line with federal standards lowers the administrative burden for PHAs, who typically administer the federal voucher program as well; and
- Tying the amount distributed to PHAs for administrative expenses to the federal de minimis rate of the PHA’s modified total direct costs (as with the federal voucher program) rather than a set percentage of the State Program’s total budget appropriation, will result in these administrative expenses being offset more efficiently.

DHCD Position

The Maryland Department of Housing and Community Development respectfully requests a **favorable** report on HB 716.