



Montgomery County

Office of Intergovernmental Relations

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HB 1501

DATE: March 12, 2026

SPONSOR: Delegate Fair

ASSIGNED TO: Economic Matters

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POSITION: FAVORABLE WITH AMENDMENTS (Department of Health and Human Services)

Department of Housing and Community Development - Homeless Shelter Certification

House Bill 1501 would create a homeless shelter certification program within the Department of Housing and Community Development (DHCD). The program would require DHCD to develop a tiered system for homeless shelter certifications based on 1) the number of individuals served by the shelter; 2) the type and duration of the shelter provided; and 3) the type and intensity of services provided by the shelter. The bill prioritizes the certification of homeless shelters in the following order: 1) year-round shelters, including safe haven shelters, transitional shelters, or medical or specialized care shelters; seasonal shelters; motel or hotel-based shelters; and other shelters. Under the bill, a homeless shelter may not operate without a certification after the applicable certification has passed. **Because of the potential impacts on the homeless shelter system in Montgomery County, the Montgomery County Department of Health and Human Services (MCDHHS) requests an amendment to the bill to allow a local Continuum of Care to be certified in lieu of homeless shelter providers in a local jurisdiction if certain criteria are met.**

MCDHHS currently oversees the operation of homeless shelters within the County, including by contracting with non-profit entities to operate homeless shelters, as well as implementing the County's Continuum of Care and coordinated entry process. The County holds the homeless shelter operators in the County to standards set by the U.S. Department of Housing and Urban Development (HUD) Collaborative Application for Continuum of Care, as well as to the County's building standards for permitting. These standards are very similar to those outlined in the bill that homeless shelter operators would be required to meet in order to be certified.

MCDHHS agrees with DHCD that homeless shelters should meet standards similar to those outlined in House Bill 1501 and has been requiring homeless shelters to meet rigorous standards through contracts and license agreements with homeless shelter operators for decades. However, the system of certification required by House Bill 1501 presents challenges for the already well-functioning system of homeless shelter oversight in Montgomery County.

First, under House Bill 1501, "motel- or hotel- based shelters" would be required to be certified by the Department. MCDHHS utilizes hotels and motels when the homeless shelters in the County are filled to capacity. In these instances, hotel and motel rooms are provided to unhoused residents through contracts between the hotel/motel and the County and paid for using County funds. The hotels/motels do not provide homeless shelter services to MCDHHS' clients and solely operate as hotels/motels at which our unhoused clients stay as would any other patron. The bill language suggests that a hotel/motel would need to be certified in these circumstances despite the fact that hotels/motels are not operating homeless shelters and do not provide shelter services.

Second, the bill would benefit from clarifying which entities are homeless shelter operators for the purpose of identifying which entities would need to apply for certification and for understanding when a certification may need to be obtained. For example, under the bill, if a non-profit service provider who is contracted with MCDHHS to provide homeless shelter services leases a building from another non-profit, which entity is “operating” the homeless shelter? Is it MCDHHS, the funder, contractor, and overseeing entity of the homeless shelter system in the County? Is it the non-profit that provides the shelter services? Is it the non-profit that owns the building that is leased to the shelter services provider? What if a service provider operates shelters in more than one physical space- would each building need to be certified? All of these entities could be construed to require certification under the bill as drafted, which presents a challenge for continuity of services if the service provider is replaced by a different provider in the RFP process, or if the shelter moves its physical space to a different building.

For these reasons, MCDHHS suggests amendments to the bill which would **allow a local continuum of care to be certified by DHCD as meeting standards set by the Department in lieu of requiring each homeless shelter operator in the County to be certified**. If a local continuum of care can demonstrate that it provides adequate oversight of all homeless shelters and homeless shelter service providers in the jurisdiction, the Department would be able to meet the goals of House Bill 1501 without dismantling a homeless shelter system that is working well in Montgomery County.

MCDHHS respectfully urges the committee to issue a favorable report on House Bill 1501 with the amendments on the following page.

AMENDMENTS TO HOUSE BILL 1501
(First Reading File Bill)

AMENDMENT NO. 1

On page 3, in line 23, after “(.)” insert “**(F) THIS SUBTITLE DOES NOT APPLY IF A LOCAL CONTINUUM OF CARE HAS BEEN CERTIFIED BY THE DEPARTMENT.**”.

AMENDMENT NO. 2

On page 5, after line 7, insert “**6-14A-01. (A) THE DEPARTMENT SHALL OPERATE A CERTIFICATION PROGRAM FOR CONTINUUMS OF CARE. (B) A BUILDING MAY NOT BE USED AS A HOMELESS SHELTER UNLESS THE CONTINUUM OF CARE HAS BEEN CERTIFIED IN ACCORDANCE WITH THIS SUBTITLE. (C) AN CONTINUUM OF CARE MAY APPLY TO THE DEPARTMENT FOR A CERTIFICATION TO PROVIDE FUNDING TO HOMELESS SHELTERS IN THE LOCAL JURISDICTION ON A FORM THAT THE DEPARTMENT PROVIDES. (D) CERTIFICATION HOLDERS ARE SUBJECT TO A RECERTIFICATION PROCESS EVERY 2 YEARS, IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE DEPARTMENT.**

6-14A-02. AN APPLICATION FOR A CERTIFICATION SHALL INCLUDE: (1) A DEMONSTRATION OF ADHERENCE BY THE CONTINUUM OF CARE TO STANDARDS ADOPTED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; AND (2) ANY OTHER DOCUMENTATION OR INFORMATION REQUIRED BY THE DEPARTMENT IN REGULATION.

6-14A-03. (A) FOR CAUSE, THE DEPARTMENT MAY DENY, SUSPEND, OR REVOKE A CONTINUUM OF CARE CERTIFICATION ISSUED UNDER THIS SUBTITLE. (B) GROUNDS FOR DENIAL, SUSPENSION, OR REVOCATION INCLUDE: (1) VIOLATION OF THIS SUBTITLE; (2) VIOLATION OF A REGULATION ADOPTED UNDER THIS SUBTITLE; (3) MISREPRESENTATION TO THE DEPARTMENT; AND (4) SUBMISSION OF A FALSE STATEMENT ON A CERTIFICATION. (C) THE DEPARTMENT SHALL SET FORTH IN WRITING ITS REASONS FOR DENIAL, SUSPENSION, OR REVOCATION. (D) TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE GOVERNS THE APPEAL OF A DENIAL, REVOCATION, OR SUSPENSION.”