

**Department of Legislative Services**  
Maryland General Assembly  
2018 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 933 (Delegate B. Barnes, *et al.*)  
Environment and Transportation

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**Housing and Community Development - Rental Allowance Program - Eligibility**

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This bill prohibits the Department of Housing and Community Development (DHCD) from disqualifying from the Rental Allowance Program (RAP) a person who is a participant in a federally funded living assistance program with a permanent supportive housing or traditional housing component.

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**Fiscal Summary**

**State Effect:** The bill is not anticipated to materially affect State finances or operations.

**Local Effect:** The bill is not anticipated to materially affect local finances or operations.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** DHCD must administer RAP to assist low-income households that are homeless or at risk of being homeless by providing housing assistance payments to (or on behalf of) eligible households.

The Secretary of Housing and Community Development must establish (1) income limits for eligibility of low-income households that are up to 30% of the State or area median income, whichever is higher, and (2) minimum standards for eligible dwelling units. The Secretary must also establish the amount of payments that are made through RAP, taking into account specified factors.

Eligible uses of payments include rent, security deposits, utilities, and other housing-related expenses. DHCD may administer RAP by providing monthly housing assistance payments to (or on behalf of) eligible households directly or through political subdivisions, their local housing agencies or departments, or nonprofit organizations. DHCD is authorized to adopt regulations to carry out RAP, including timeframes for assistance and other appropriate criteria.

**Background:** DHCD advised for previous legislation that RAP provides grants to local governments to provide rent subsidies to low-income families who either are homeless or have an emergency housing need. The goal of the program is to enable these households to move from homelessness or temporary emergency housing into more permanent housing and to return to self-sufficiency.

### *Eligible Types of Housing*

Eligible housing can include rooms, boarding house rooms, other single-room occupancy arrangements, apartments, group homes, transitional housing (but not temporary emergency housing), single-family houses, and mobile homes. Kitchen and bathroom facilities may be shared or independent. Motel and hotel rooms without access to kitchen facilities may be permitted if other more cost-effective and suitable housing is not available. Living facilities may be shared with other persons, including other program recipients. Housing may be furnished or unfurnished.

### *Local Government Involvement*

County governments, Baltimore City, and the City of Annapolis administer RAP by accepting applications from eligible residents, coordinating the program with other social services administered by the county, and providing staff links with the Community Development Administration to ensure program requirements are being met. RAP is usually administered by the local social services office or the Section 8 agency (*i.e.*, public housing authority) or is contracted by the county to a nonprofit organization.

According to DHCD, RAP's annual budget is approximately \$1.7 million. Program funds are distributed to recipients throughout the State by formula. In fiscal 2017, RAP served 655 individuals.

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## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Housing and Community Development;  
Department of Legislative Services

**Fiscal Note History:** First Reader - February 18, 2018  
mm/mcr

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