

Department of Legislative Services
 Maryland General Assembly
 2021 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 105 (Delegate Henson)
 Environment and Transportation Education, Health, and Environmental Affairs

**Department of Housing and Community Development – Community
 Development Administration – Compliance Monitoring Reporting**

This bill requires the Community Development Administration (CDA) of the Department of Housing and Community Development (DHCD) to prepare an annual report, by September 1 of each year, on compliance monitoring for low-income housing tax credits (LIHTC) and multifamily rental assistance programs for the preceding fiscal year. The report must include the identification of projects under contract for compliance monitoring as well as comments and feedback from residents of projects subject to CDA’s oversight. DHCD must maintain on its website (1) copies of prepared compliance monitoring reports; (2) instructions for residents to submit comments or feedback regarding particular projects to CDA for inclusion in compliance monitoring reports; and (3) a user-friendly data dashboard containing compliance monitoring information, as specified. **The bill takes effect July 1, 2021.**

Fiscal Summary

State Effect: General fund expenditures increase by \$75,000 in FY 2022 only for one-time computer programming costs. Revenues are not affected.

(in dollars)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	75,000	0	0	0	0
Net Effect	(\$75,000)	\$0	\$0	\$0	\$0

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law:

Community Development Administration

CDA is a division within DHCD that issues revenue bonds to raise capital used to make below-market interest rate mortgages. CDA may purchase or issue securities that are backed by mortgage loans and guaranteed by the Government National Mortgage Association or a government-sponsored enterprise to finance community development projects, public purpose projects, or residential mortgage loans. The issuance, terms, and conditions of a security that CDA issues may be as CDA finds necessary or desirable for guaranty by the Government National Mortgage Association or a government-sponsored enterprise.

Federal Low-income Housing Tax Credits

LIHTC provides an incentive for the development and rehabilitation of affordable rental housing. These nonrefundable federal housing tax credits are awarded to developers of qualified rental projects via a competitive application process administered by state housing finance authorities. LIHTCs are first allocated to each state according to its population. State housing agencies allocate credits to developers of rental housing according to federally required, but state created, Qualified Allocation Plans (QAP). Federal law requires that the QAP give priority to projects that serve the lowest income households and that remain affordable for the longest period of time.

State Expenditures: General fund expenditures for DHCD increase by \$75,000 in fiscal 2022 only to hire a consultant to program, systems test, and deploy the required user-friendly data dashboard on DHCD's website.

Any administrative duties related to compliance reporting can be handled with existing staff. If existing resources prove inadequate in future years, DHCD can request additional personnel through the annual budget process.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

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

Fiscal Note History: First Reader - January 22, 2021
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