



RMC Rural Housing Working Committee Meeting
Thursday, February 23, 2023
11:00 am to 12:00 pm
Zoom Teleconference
Agenda

Invited participants: Rural Housing Working Committee Members

- I. Welcome and Introductions Charlotte Davis
- II. Rural Housing Working Committee's Purpose & Initiatives
 - a. Review Purpose & Initiatives
 - b. Meeting schedule
 - c. Membership
- III. Other Business
 - a. 2023 Legislation – HB501
- VI. Adjourn

Next Meeting: TBD



Rural Housing Working Committee: Rural communities face unique challenges when dealing with the affordable housing crisis. Because development does not generally occur at a large scale in rural areas, construction costs are often higher in rural communities compared to urban areas, which reduces the incentives for private investment. Additionally, a lack of access to credit in many rural areas limits funding for maintenance of existing units.

The Committee is charged with the following:

- Research and assess the availability of affordable housing in Rural Maryland utilizing the recent [Maryland Housing Needs Assessment & 10-Year Strategic Plan](#) (Click Report title to access report);
- Examine the availability of quality affordable rural housing and identify specific rural challenges;
- Developing policies and strategize to incentivize the construction of affordable rural housing; and,
- Identify best practices and case studies.

Potential Outcomes:

- A report on the housing assessment and recommendations to the Executive Committee and where appropriate, the Legislative Committee;
- Reach a consensus on priorities and propose solutions and include an analysis of alternatives to current and proposed rural housing solutions;
- Invite presentations from speakers of interest to committee members where appropriate and convene stakeholders such as hosting a Symposium or Roundtable discussions;
- Identify priorities for the Committee and the Council in the area of rural housing; and
- Develop advocacy in the form of strategies, position papers, legislation and testimony both oral and written in partnership with the RMC Legislative Committee.

Members:

Mike Arntz	Congressman Harris	mike.arntz@mail.house.gov
Jamie Beechey	Caroline County	jbeechey@carolinemd.org
Chris Benzing	Maryland Rural Development Corporation	execdir@mrdc.net
Kat Stork Blahen	Shore Strategies	kat@shorestrategies.community
Holly Dekarske	Easton Economic Development Corporation	holly@eastonedc.com
Michael Franklin	Chesapeake Housing Mission	michael@chesapeakehousingmission.org
Yvonne Golczewski	Habitat for Humanity, Susquehanna	YGolczewski@habitatsusq.org
JoAnn Hansen	Habitat for Humanity, Choptank	director@habitatchoptank.org

Ron Hantz	Network for Developing a Conscious Black Agenda	ronhantz@ndccnetwork.org
John Hartline	Tri-County Council for Southern Maryland	jhartline@tccsmd.org
Terry Hill	Maintaining Active Citizens, Inc.	areggce22301@mac.com
Molli Hilligoss	Habitat for Humanity of Wicomico Count, Inc.	molly@wicomicohabitat.org
Dawson Hunter	Kent County Government	dhunter@kentgov.org
Darius Johnson	ACE Mentor Program of America	djohnson@acementor.org
Linda Kohler	Chesapeake Charities	linda@chesapeakecharities.org
Jerry McLaurin	PFC Black Chamber of Commerce	jerryw@pfcblackchamber.org
Mr. Dennis Nicholson	St. Mary's Housing Authority	dnicholson@stmaryshousing.org
Luke Patton	Enterprise Community Development, Inc.	lpatton@ecdcommunities.org
Alice Settle-Raskin	Agri Maryland	alice.agrimaryland@gmail.com
Dona Sorce	Maryland Department of Housing and Community Development	dona.sorce@maryland.gov
Jacinta Bottoms Spencer	Reign 4ever Consulting	reign4everconsultingpsc@gmail.com
Cindy Stone	Maryland Department of Housing and Community Development	cindy.stone@maryland.gov
Jennifer Walsh	Greater Cumberland Committee	jennifer@greatercc.org
Claudia Randall Wilson	Community Development Network of Maryland	claudia@communitydevelopmentmd.org
Duane Yoder	Garrett Community Action	dyoder@garrettcac.org



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Susan O'Neill, Chair

Charlotte Davis, Executive Director

Testimony in Support of
House Bill 501 – Revitalizing Neighborhoods Through Homeownership Program and Fund - Establishment
Environment and Transportation Committee
Tuesday, February 21, 2023

The Rural Maryland Council supports House Bill 501 – Revitalizing Neighborhoods Through Homeownership Program and Fund – Established. This bill will reverse blight as well as increase the available stock of affordable housing by establishing the Revitalizing Neighborhoods Through Homeownership Program at the Department of Housing and Community Development. This program will 1) provide financial assistance in the form of loans to political subdivisions to support the purchase and renovation of Department of Housing and Urban Development (HUD) dollar homes and abandoned residential properties for resale to low to moderate income buyers 2) establish the Revitalizing Neighborhoods Through Homeownership Program and Fund as a special, non-lapsing fund to provide financial assistance in the form of loans under the Programs provisions.

Local governments across the state face challenges related to vacant and abandoned properties. A survey done by the Community Development Network of Maryland in 2017 found that smaller municipalities want more tools to address issues related to vacant properties. The City of Cambridge and Salisbury University were jointly recognized in 2018 with a Special Achievement in GIS (SAG) award for its pilot blighted housing study, which married ArcGIS and Survey123 software to effectively measure risk factors leading to eventual housing blight. According to a Harvard Law and Policy Review article on rural blight, grants and loans to struggling homeowners for property repairs, historic preservation incentives for local governments and developers, demolition assistance, and other programming to support local efforts have demonstrated potential to make a dent in rural blight. (https://harvardlpr.com/wp-content/uploads/sites/20/2019/02/20180613-1_Eisenberg.pdf)

HB501 will help low to moderate income families to purchase a home through the HUD's Dollar Homes program by providing matching funds. According to [HUD about Dollar Homes | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](http://HUD.aboutDollarHomes|HUD.gov/U.S.DepartmentofHousingandUrbanDevelopment(HUD)), Dollar Homes are single-family homes that are acquired by the Federal Housing Administration as a result of foreclosure actions. These properties are available to be sold for \$1.00 through the program if FHA is unable to sell the homes for six months. These newly occupied homes can offer security and stability for the homeowners and revitalize their surrounding communities.

The 2020 Maryland Housing Needs Assessment & 10-Year Strategic Plan shows that there is a severe lack of affordable housing in the State. This plan found there is significant variation in the homeownership market across Maryland. Some rural areas in Eastern and Western Maryland, along with Baltimore City and Prince George's County, are still struggling with higher-than-average foreclosures, delinquency rates, and short sales. (<https://dhcd.maryland.gov/Documents/Other%20Publications/Report.pdf>)

The Rural Maryland Council respectfully requests your favorable support of House Bill 501.

The Rural Maryland Council (RMC) is an independent state agency governed by a nonpartisan, 40-member board that consists of inclusive representation from the federal, state, regional, county, and municipal governments, as well as the for-profit and nonprofit sectors. We bring together federal, state, county, and municipal government officials as well as representatives of the for-profit and nonprofit sectors to identify challenges unique to rural communities and to craft public policy, programmatic or regulatory solutions.

“A Collective Voice for Rural Maryland”

HOUSE BILL 501

C9

3lr1373

By: **Delegate Queen**

Introduced and read first time: January 30, 2023

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Revitalizing Neighborhoods Through Homeownership Program and Fund –**
3 **Established**

4 FOR the purpose of establishing the Revitalizing Neighborhoods Through Homeownership
5 Program; establishing the Revitalizing Neighborhoods Through Homeownership
6 Fund as a special, nonlapsing fund to provide financial assistance in the form of loans
7 under the provisions of the Revitalizing Neighborhoods Through Homeownership
8 Program; requiring interest earnings of the Fund to be credited to the Fund; and
9 generally relating to the Revitalizing Neighborhoods Through Homeownership
10 Program and Fund.

11 BY repealing and reenacting, without amendments,
12 Article – Housing and Community Development
13 Section 4–501(a) and (b)
14 Annotated Code of Maryland
15 (2019 Replacement Volume and 2022 Supplement)

16 BY adding to
17 Article – Housing and Community Development
18 Section 4–510; and 4–2901 through 4–2904 to be under the new subtitle “Subtitle 29.
19 Revitalizing Neighborhoods Through Homeownership Program”
20 Annotated Code of Maryland
21 (2019 Replacement Volume and 2022 Supplement)

22 BY repealing and reenacting, without amendments,
23 Article – State Finance and Procurement
24 Section 6–226(a)(2)(i)
25 Annotated Code of Maryland
26 (2021 Replacement Volume and 2022 Supplement)

27 BY repealing and reenacting, with amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – State Finance and Procurement
2 Section 6–226(a)(2)(ii)170. and 171.
3 Annotated Code of Maryland
4 (2021 Replacement Volume and 2022 Supplement)

5 BY adding to
6 Article – State Finance and Procurement
7 Section 6–226(a)(2)(ii)172.
8 Annotated Code of Maryland
9 (2021 Replacement Volume and 2022 Supplement)

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

12 **Article – Housing and Community Development**

13 4–501.

14 (a) (1) Each fund established under this subtitle is a continuing, nonlapsing
15 special fund that is not subject to § 7–302 of the State Finance and Procurement Article.

16 (2) The State Treasurer shall hold and the Comptroller shall account for
17 each fund established under this subtitle.

18 (b) Money in a fund established under this subtitle shall be invested in the same
19 way as other State money.

20 **4–510.**

21 **(A) IN THIS SECTION, “FUND” MEANS THE REVITALIZING NEIGHBORHOODS**
22 **THROUGH HOMEOWNERSHIP FUND.**

23 **(B) THERE IS A REVITALIZING NEIGHBORHOODS THROUGH**
24 **HOMEOWNERSHIP FUND.**

25 **(C) THE PURPOSE OF THE FUND IS TO PROVIDE FINANCIAL ASSISTANCE IN**
26 **THE FORM OF LOANS FROM THE REVITALIZING NEIGHBORHOODS THROUGH**
27 **HOMEOWNERSHIP PROGRAM ESTABLISHED UNDER SUBTITLE 29 OF THIS TITLE.**

28 **(D) THE DEPARTMENT SHALL ADMINISTER THE FUND.**

29 **(E) THE FUND CONSISTS OF:**

30 **(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**

1 **(2) REPAYMENTS OF PRINCIPAL AND PAYMENTS OF INTEREST ON**
2 **LOANS ISSUED FROM THE FUND;**

3 **(3) INTEREST EARNINGS OF THE FUND; AND**

4 **(4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**
5 **THE BENEFIT OF THE FUND.**

6 **(F) THE FUND MAY BE USED ONLY FOR THE PURPOSE ESTABLISHED IN**
7 **SUBSECTION (C) OF THIS SECTION.**

8 **(G) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE**
9 **FUND.**

10 **(H) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**
11 **WITH THE STATE BUDGET.**

12 **SUBTITLE 29. REVITALIZING NEIGHBORHOODS THROUGH HOMEOWNERSHIP**
13 **PROGRAM.**

14 **4-2901.**

15 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
16 **INDICATED.**

17 **(B) “HUD” MEANS THE U.S. DEPARTMENT OF HOUSING AND URBAN**
18 **DEVELOPMENT.**

19 **(C) “HUD DOLLAR HOME” MEANS A RESIDENTIAL DWELLING PURCHASED**
20 **UNDER THE DOLLAR HOMES – GOVERNMENT SALES PROGRAM OPERATED BY HUD.**

21 **(D) “LOW- TO MODERATE-INCOME BUYERS” MEANS INDIVIDUALS OR**
22 **FAMILIES WITH A HOUSEHOLD INCOME THAT IS LESS THAN OR EQUAL TO A CERTAIN**
23 **PERCENTAGE OF THE AREA MEDIAN INCOME, ADJUSTED FOR FAMILY SIZE.**

24 **(E) “PROGRAM” MEANS THE REVITALIZING NEIGHBORHOODS THROUGH**
25 **HOMEOWNERSHIP PROGRAM.**

26 **4-2902.**

27 **(A) THERE IS A REVITALIZING NEIGHBORHOODS THROUGH**
28 **HOMEOWNERSHIP PROGRAM IN THE DEPARTMENT.**

1 **(B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE FINANCIAL**
2 **ASSISTANCE IN THE FORM OF LOANS TO POLITICAL SUBDIVISIONS TO SUPPORT THE**
3 **PURCHASE AND RENOVATION OF HUD DOLLAR HOMES AND ABANDONED**
4 **RESIDENTIAL PROPERTIES FOR RESALE TO LOW- TO MODERATE-INCOME BUYERS.**

5 **4-2903.**

6 **(A) THE DEPARTMENT SHALL:**

7 **(1) ADMINISTER THE PROGRAM THROUGH THE ADMINISTRATION;**

8 **(2) ESTABLISH HOUSEHOLD INCOME LIMITS FOR LOW- TO**
9 **MODERATE-INCOME BUYERS; AND**

10 **(3) ADOPT REGULATIONS TO CARRY OUT THE PROGRAM.**

11 **(B) THE HOUSEHOLD INCOME LIMITS ESTABLISHED BY THE DEPARTMENT**
12 **UNDER SUBSECTION (A)(2) OF THIS SECTION SHALL BE CONSISTENT WITH ANY**
13 **APPLICABLE INCOME LIMITS ESTABLISHED BY THE FEDERAL GOVERNMENT FOR**
14 **THE DOLLAR HOMES – GOVERNMENT SALES PROGRAM OPERATED BY HUD.**

15 **4-2904.**

16 **(A) THE DEPARTMENT SHALL DEVELOP THE APPLICATION AND**
17 **ELIGIBILITY CRITERIA FOR LOANS ISSUED UNDER THE PROGRAM.**

18 **(B) A LOAN ISSUED UNDER THE PROGRAM:**

19 **(1) MAY BE IN AN AMOUNT UP TO \$25,000; AND**

20 **(2) SHALL BE SECURED BY A MORTGAGE ON THE PROPERTY**
21 **PURCHASED OR RENOVATED USING THE LOAN PROCEEDS.**

22 **(C) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, THE**
23 **DEPARTMENT SHALL ESTABLISH REPAYMENT TERMS AND MAY CHARGE INTEREST**
24 **FOR A LOAN ISSUED UNDER THE PROGRAM.**

25 **(2) THE INTEREST RATE ON A LOAN ISSUED UNDER THE PROGRAM**
26 **SHALL BE LESS THAN THE MARKET RATE FOR A SIMILAR LOAN AT THE TIME THE**
27 **DEPARTMENT APPROVES THE APPLICATION FOR A PROGRAM LOAN.**

1 **(3) THE TERMS OF THE LOAN SHALL REQUIRE REPAYMENT OF THE**
2 **LOAN PLUS ANY OUTSTANDING INTEREST OWED ON RESALE OF THE RESIDENTIAL**
3 **PROPERTY TO A LOW- TO MODERATE-INCOME BUYER.**

4 **Article – State Finance and Procurement**

5 6–226.

6 (a) (2) (i) Notwithstanding any other provision of law, and unless
7 inconsistent with a federal law, grant agreement, or other federal requirement or with the
8 terms of a gift or settlement agreement, net interest on all State money allocated by the
9 State Treasurer under this section to special funds or accounts, and otherwise entitled to
10 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
11 Fund of the State.

12 (ii) The provisions of subparagraph (i) of this paragraph do not apply
13 to the following funds:

14 170. the Cannabis Public Health Fund; [and]

15 171. the Community Reinvestment and Repair Fund; AND

16 **172. THE REVITALIZING NEIGHBORHOODS THROUGH**
17 **HOMEOWNERSHIP FUND.**

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 October 1, 2023.