

DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (DHCD)

14.195 SECTION 8 – CONTRACT ADMINISTRATION

Program Description: Provides project-based rental assistance to lower income households earning no more than 50 percent of area median income. DHCD is paid an administrative fee to operate the program on behalf of U.S. Housing and Urban Development (HUD). HUD assigns housing complexes for DHCD administration. Families in units assisted by the Section 8 Voucher Program pay no more than 30 percent of their income in rent. Eligible recipients must live in housing complexes receiving assistance.

Formula Description: DHCD receives quarterly payments from HUD based on the projects HUD assigns to the Department, and on tenant rental payments.

FY13 (exp)
\$ 183,881,856

FY14 (approp)
\$ 185,000,000*

FY15 (est)
\$ 185,000,000*

Program Supported/Population Served: The program is a contract administered statewide. In FY13, 24,061 Maryland households lived in developments where DHCD administered this program.

**NOTE: For FFY 2013 (and 14), HUD competitively rebid all Section 8 contracts nationwide. However, due to problems with the HUD bidding process, as well as several related lawsuits, the selection of the contract administrator for Maryland (which is DHCD) and over 30 other states was suspended. These lawsuits are on-going. Since it has been unable to issue new contracts, HUD has been providing funding to DHCD and other affected agencies through a series of short term contracts to continue to administer the program until bidding issues are resolved. Consequently, funding levels are shown as flat funding until issues with HUD's bidding process can be resolved.*

14.228 COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG)

Program Description: The CDBG program funds a broad array of activities focused on developing viable communities. Types of activities funded include providing decent housing, improving infrastructure, and expanding economic opportunities, principally for persons of low and moderate income. CDBG funding is comprised of two parts. The Entitlement Program is directly administered by HUD and provides federal funds to "entitlement" communities. Maryland's entitlement communities are Anne Arundel, Baltimore, Harford, Howard, Montgomery, and Prince George's counties, as well as the cities of Annapolis, Baltimore, Bowie, Cumberland, Frederick, Gaithersburg, Hagerstown, and Salisbury. As direct entitlements, funds DHCD receives from the federal government may not be used in these jurisdictions. The funding DHCD receives can be used in all other areas. Projects generally fall into three types: housing,

public facilities (water/sewer, streets, child care, senior or community centers, shelters) and economic development projects. A CDBG project must meet one of three national objectives: A project must principally benefit persons of low and moderate income, eliminate slum and blight, or meet an urgent need of recent origin that threatens public health and safety. Units of general local government of non-entitlement counties with a population less than 200,000 and non-entitlement cities and towns having populations less than 50,000 are eligible to apply. Multiple jurisdictions may jointly apply for funds. Other entities, public and private, may be grant sub-recipients. Activities may only be performed by eligible sub-recipients of the local government.

Formula Description: Over a designated three-year period, the state must cumulatively use 70% of its allocation to benefit persons of low and moderate income.

FY13 (exp)	FY14 (approp)	FY15 (est)
\$ 8,910,017	\$ 6,548,567	\$ 6,548,567

NOTE: CDBG funding for FY13 includes program income. DHCD's actual appropriation was \$6,751,096. For FY14, CDBG appropriations were cut 3 percent. HUD had not released its formula allocation at press time; estimates for FY14 and FY15 are based on the FY13 allocation less 3 percent.

Governor's Strategic Goal: [Reaching the Healthier Bay Tipping Point by 2025](#)

Program Supported/Population Served: In FY 13, DHCD assisted over 34,000 people under the CDBG program. Types of assistance included temporary rental assistance to 200 households affected Hurricane Sandy, water and sewer system improvements that assisted over 20,800 households, improvements to local food banks and homeless shelters, infrastructure improvements to roads, bridges, and sidewalks, and acquisition of property to provide affordable rental housing for low income households, as well as other activities. The program also funded a number of planning and engineering studies.

14.231 EMERGENCY SOLUTIONS GRANTS (ESG)

Program Description: The ESG program supports homeless shelters and homeless services programs in Maryland. Urban counties, including Anne Arundel, Baltimore, Montgomery, and Prince George's, as well as Baltimore City, receive ESG funding directly from HUD and are therefore ineligible for State funding. The State program operates in all other jurisdictions in Maryland. ESG funds are used primarily to support operating costs, case management and client services, and staffing and administrative costs for shelters and post-shelter transitional units, although funding may also be used for homeless prevention, rapid rehousing, and computer systems (see note). Most jurisdictions limit assistance to one cash assist per household per year. DHCD awards ESG funds annually under a competitive application process.

FY13 (exp)	FY14 (approp)	FY15 (est)
\$ 1,018,842	\$ 1,090,000	\$ 1,090,000

NOTE: The Emergency Shelter Grant program was renamed the Emergency Solutions Grant under the HEARTH Act, keeping the same acronym (ESG). The name change became effective in January, 2012, along with a partial increase in funding for select new and existing activities (homeless prevention, rapid re-housing and homeless management information system (HMIS) development and maintenance). The formula allocation for FY 14 funding was not available at press time; the number provided is estimated based on a 7 percent increase in funding Congress provided for all homeless programs.

Program Supported/Population Served: Local governments in eligible jurisdictions apply for funds to support emergency and transitional homeless shelters and homeless services programs operated by local government agencies and/or nonprofit organizations. These agencies and organizations MUST be members of their local Continuum of Care. In FY 13, DHCD made 48 grants to homeless shelters in its program service area.

14.239 HOME INVESTMENTS PARTNERSHIP PROGRAM (HOME)

Program Description: The HOME Program promotes affordable housing activities. Maryland's program is administered by the Division of Development Finance (DDF). A portion of the annual allocation is used in conjunction with existing DDF Multi-family Development, Homeownership, and Special Loan Programs. Funds also are allocated to an Initiatives Fund, which are awarded competitively to test new ideas in housing, initiate pilot programs, and support promising projects. HOME funds may be used to finance the construction, acquisition, and rehabilitation of rental housing, owner-occupied housing, and special needs housing such as group homes in the state's non-entitlement areas. The state's non-entitlement areas are Allegany, Calvert, Caroline, Carroll, Cecil, Charles, Dorchester, Frederick, Garrett, Kent, Queen Anne's, Saint Mary's, Somerset, Talbot, Washington, Wicomico and Worcester Counties. All other areas in the State are ineligible for the state's HOME program since they receive their own HOME funding directly from HUD. For HOME funds used in conjunction with DDF programs, projects must meet the eligibility criteria for the DDF program. For HOME funds from the Initiatives Fund, eligible projects must be ineligible for DDF program funds. Nonprofit organizations, local governments, local housing agencies and state government agencies are eligible to apply for HOME funds. Local government comments are also solicited on all projects for which HOME funds are requested.

FY13 (exp)	FY14 (approp)	FY15 (est)
\$ 7,635,214	\$ 4,298,249	\$ 4,298,249

NOTE: The HOME Program received a formula allocation of \$4,093,567 in FY 2013, expenditures were higher due to program income and use of unexpended funds from previous years. HUD had not announced formula allocation for 2014 at press time. Congress increased funding for the program by 5 percent between 2013 and 2014, so the FY 14 and FY 15 amounts listed is the FY 13 allocation plus the funding increase.

Program Supported/Population Served: In FY 13, DHCD renovated 27 substandard housing units for extremely low-income households and provided homebuyer assistance to 33

households. In addition, the Department used its allocation of HOME funds to help construct three apartment complexes with 133 affordable housing units.

14.241 HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)

Program Description: The HOPWA program provides housing and supportive services to individuals who have been diagnosed with HIV/AIDS. DHCD works with DHMH in carrying out the functions of this program. DHCD provides the housing component through rental assistance payments, while DHMH provides supportive services and actually administers the grant. HOPWA funding may only be awarded to either 1) Cities or 2) States. City formula grantees under the HOPWA program are required to serve not only their own jurisdiction, but surrounding counties as well. For example, funds awarded to Baltimore City serve not only city residents, but residents of all communities in the Baltimore metropolitan area such as Anne Arundel, Baltimore, Carroll, Harford, and Howard Counties. The City of Washington, D.C., carries out the HOPWA program in Prince George's, Charles, and Calvert Counties, the City of Philadelphia provides services to residents of Cecil County, and the City of Gaithersburg is the recipient of funding for services in Montgomery and Frederick County. The State program then assists persons in the State's most rural counties/jurisdictions.

FY13 (exp)
\$ 146,835

FY14 (approp)
\$ 409,020

FY15 (est)
\$ 409,020

NOTE: The State of Maryland received an allocation of \$409,020 in HOPWA funding for FY 2013, The FY 13 funding expended shown is for the housing assistance portion of HOPWA only, and does not include DHMH supportive services. HUD is proposing to revise HOPWA formula allocations for using AID/HIV rates pro-rated over a four year period to determine formula funding. The impact of this proposed change is unknown at this time, FY 14 and FY 15 funding is estimated based on previous funding levels.

Program Supported/Population Served: The state program operates in the following counties: Allegany, Caroline, Cecil, Dorchester, Garrett, Kent, Saint Mary's, Somerset, Talbot, Washington, Wicomico, and Worcester. Persons with HIV/AIDS or their families may apply to the program through local health departments or through DHCD's Rental Services Office. In FY 13, the State assisted 58 people with housing through the State operated program.

14.871 SECTION 8 VOUCHERS

Program Description: The U.S. Department of Housing and Urban Development's (HUD) Section 8 Voucher Program is a rental assistance program, subsidizing rental expense paid by lower-income families. DHCD acts as a Public Housing Authority in the State's rural areas that lack legislative authority to act as a public housing authority, or that choose not to administer a Section 8 Program. Eligible households (those earning less than 50% of area median income) receiving Section 8 assistance may select eligible rental housing of their choice.

FY13 (exp)
\$ 17,140,891

FY14 (approp)
\$ 18,000,000

FY15 (est)
\$ 18,000,000

Program Supported/Population Served: In FY 13, DHCD's allocation of Vouchers supported 2,289 households. Households throughout the state received assistance, although DHCD assistance is primarily focused on rural areas, as urban areas typically administer their own voucher programs and funding.

81.042 WEATHERIZATION ASSISTANCE PROGRAM

Program Description: The Weatherization program assists eligible low-income households in the installation of energy conservation materials in their dwelling unit. This measure reduces the consumption of energy and lowers the cost of maintenance for these homes. Priority is given to homeowners who are elderly, disabled, have children, and/or have the highest energy consumption.

Eligible renters may apply and are given due consideration in accordance with the Weatherization Assistance Program's Rental Property Investment Program. Once eligibility is determined, a representative from the local agency will visit the home to perform an energy audit. Persons interested in receiving Weatherization assistance may apply to the local agency serving the political jurisdiction in which they reside. Applications are made directly or through the Maryland Energy Assistance Program. For a dwelling unit to be considered "qualified," the household must meet the following criteria: the household must be income eligible (150% of the U.S. Office of Management and Budget Poverty Guidelines), and the household must prove home ownership. In the case of a rental unit, the renter's landlord must prove ownership and agree to participate and invest in the program.

FY13 (exp)*
\$ 2,922,814

FY14 (approp)*
\$ 300,000

FY15 (est)*
\$ 300,000

NOTE: Congress drastically reduced Weatherization funds by more than two-thirds for FY13. Based on this cut, the Secretary of Energy determined that it was not possible to fund Weatherization Funding as a nationwide program, and eliminated funding for 20 States, including Maryland in FY 13. The funding shown for FY13 is actually reserve funds that were left over for the State to use from a combination of sources, including the last ARRA funding and previous grants. For FY 14, DOE has stated that all States will receive "some" funding, but DOE had not announced allocations at press time.

Governor's Goal: [Reduce both Per Capita Peak Demand and Per Capita Electricity Consumption in Maryland by 15% by 2015](#)

Program Supported/Population Served: In FY 13, DHCD weatherized 561 housing units in every jurisdiction throughout the state using the remaining Weatherization funding from the American Response and Recovery Act, as well as some leftover funding from previous year's allocations of Weatherization funds.

93.569 COMMUNITY SERVICES BLOCK GRANT (CSBG)

Program Description: The CSBG Program provides a range of services designed to assist low-income people to attain the skills, knowledge and motivation needed to achieve self-sufficiency. DHCD receives its share of the federal allocation of CSBG funds from the U.S. Department of Health and Human Services (HHS). The only eligible applicants for this program are Maryland's seventeen designated Community Action Agencies (CAAs) and two limited-purpose agencies, some of which serve more than one county. Eligible entities must have a tripartite Board of Directors in which one-third of the members represent the private sector, one-third represent the public sector, and one-third represent the low-income residents. Services and activities these organization provide to low-income residents may include: housing, to include assistance with acquiring permanent housing, and assisting with self-help housing; Head Start education for youth; nutrition programs, to include distribution of food stuffs; transportation programs that include transporting clients to medical facilities; employment services; and emergency services, including shelter and energy assistance, to low-income persons. Persons assisted must have incomes at or below 125% of poverty level.

Formula Description: Funding is based on population and the level of poverty in each state. Services and activities provided by CSBG eligible entities vary in accordance with the needs of each community.

FY13 (exp)
\$ 8,001,756

FY14 (approp)
\$ 8,000,000

FY15 (est)
\$ 8,000,000

Note: FY 14 funding is based on appropriations and the quarterly draw system HHS uses to fund the CSBG program.

Program Supported/Population Served: In FY 13, the CSBG program leveraged more than \$162 million in other sources of funds. Funds assisted as estimated 190,773 households throughout Maryland.

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