

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.

FY10 (expended)
\$ 172,704,765

FY11 (estimated)
\$ 177,000,000

FY12 (estimated)
\$ 182,000,000*

Program Supported / Population Served: The program is a contract administered statewide. In FY10, 22,448 Maryland households lived in developments where DHCD administered this program.

**NOTE: For FFY 2012, HUD competitively rebid all Section 8 contracts nationwide, therefore funding is unknown, this figure is truly an estimate.*

14.228 COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG)

Program Description: The CDBG program develops viable communities, provides decent housing and a suitable living environment, and expands 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.

FY10 (expended)
\$ 8,940,830

FY11 (estimated)
\$ 7,300,000

FY12 (estimated)
\$ 7,300,000

Governor's Goals #7 Restore the Health of the Chesapeake Bay

Program Supported / Population Served: In FY 10, DHCD assisted over 100,000 people under the CDBG program. Assistance included: 341 households provided affordable housing; 317 households helped with economic development projects; and over 21,000 people assisted with the construction or rehabilitation of public facilities (primarily health care facilities and infrastructure improvements/upgrades to water and sewer systems). The other households that were assisted (over 80,000) were families assisted through upgrades to a regional food bank serving Maryland's Eastern Shore.

14.231 EMERGENCY SHELTER GRANTS (ESG)

Program Description: The ESG program supports homeless shelters and homeless services programs in 19 counties and one city in Maryland. Urban counties, including Anne Arundel, Baltimore, Montgomery, and Prince George's, as well as Baltimore City, receive ESG funding directly from HUD. 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. Funding may also be used to support homelessness prevention activity. Most jurisdictions limit assistance to one cash assist per household per year. DHCD awards ESG funds annually under a competitive application process.

FY10 (expended)
\$ 608,960

FY11 (estimated)
\$ 609,000

FY12 (estimated)
\$ 609,000

NOTE: The Emergency Shelter Grant program was renamed the Emergency Solutions Grant under the HEARTH Act. Under the HEARTH Act, 20 percent of homeless funds (or \$400 million of \$2 billion proposed) are supposed to be dedicated for the ESG program for purposes that are somewhat different than under the current program. However, the administration has proposed limiting the amount of funding for ESG to \$215 million in the FY 11 budget, which would be fairly close to where ESG appropriations are now. Funding under HEARTH is a tranche system, so it is unlikely FY12 funding will be higher without a substantial funding increase.

Program Supported / Population Served: Local governments in twenty 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. The maximum request varies depending on the annual allocation received by DHCD. In recent years, local government applicants could request up to \$50,000 in ESG funding. In FY 10, DHCD made 51 grants to homeless shelters throughout the state.

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.

FY10 (exp)	FY11 (estimated)	FY12 (estimated)
\$ 9,709,048	\$ 7,100,000	\$ 7,100,000

Program Supported / Population Served: Using FY 10 funds, DHCD renovated 41 substandard housing units for extremely low-income households and provided homebuyer assistance to 79 households. In addition, the Department used its allocation of HOME funds to help construct three apartment complexes with 176 housing units.

14.241 HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)

Program Description: Provides housing and supportive services to individuals who have been diagnosed with HIV/AIDS. DHCD works with the AIDS Administration in DHMH in carrying out the functions of this program. DHCD provides the housing component through rental assistance payments, while the AIDS Administration provides supportive services. 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.

FY10 (exp)	FY11(estimated)	FY12 (estimated)
\$ 223,333	\$ 400,000	\$ 400,000

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. Since HOPWA funds must go to either a City or a State, residents of other counties in Maryland are assisted by grants to Baltimore City, Philadelphia, Washington, D.C or the City of Frederick. Those Cities then provide assistance to persons living outside their boundaries. In FY 10, the state assisted 38 households with housing and supportive services 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 is paid an administrative fee to operate the program in state jurisdictions lacking legislative authority to act as a public housing authority, or that choose not to administer a Section 8 Program. Eligible households (earning less than 50% of area median income) receiving Section 8 assistance may select eligible rental housing of their choice.

FY10 (expended)
\$ 15,084,558

FY11 (estimated)
\$ 15,300,000

FY12 (estimated)
\$ 15,700,000

Program Supported / Population Served: In FY 10, this program supported 2,192 households. Households throughout the state received assistance, although assistance is primarily focused on rural areas, as urban areas typically administer their own voucher programs.

81.042 WEATHERIZATION ASSISTANCE PROGRAM

Program Description: 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.

FY10 (exp)
\$ 3,886,909

FY11 (estimated)
\$ 2,079,000

FY12 (estimated)
\$ 2,590,000

Governor's Goal #9 Reduce Per Capita Electricity Consumption

Program Supported / Population Served: In FY 10, DHCD weatherized 727 housing units in every jurisdiction throughout the state.

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. Services and activities 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. Eligible applicants are Maryland's seventeen designated Community Action Agencies (CAAs) and two limited-purpose agencies. 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. Low-income persons in urban and rural areas throughout the state who have incomes at or below 125% of poverty income guidelines are eligible to receive services from local eligible entities. Community Action Agencies assist those in greatest need,

providing them with a variety of programs and services. In most cases, agencies strive to provide services through a one-stop-shop service delivery system.

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.

FY10 (exp)	FY11 (estimated)	FY12 (estimated)*
\$ 8,713,099	\$ 8,700,000	\$ 4,350,000

Program Supported / Population Served: In FY 10, the CSBG program leveraged more than \$134 million in other sources of funds. Funds assisted as estimated 272,002 households throughout Maryland via 17 designated Community Action Agencies.

**NOTE: For FY 12, the Obama Administration has proposed cutting funding for the CSBG program from \$700 million nationwide to \$350 million nationwide and changing it from a formula block grant to a competitive program where CAAs would apply directly to HHS for funding. Thus, this number is genuinely an estimate.*

-end DHCD report-