

**State of Maryland - Five Year  
Consolidated Plan FFY 2025-2029  
(SFY 2026-2030)**

STATE OF MARYLAND CONSOLIDATED PLAN

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## ES-05 Executive Summary - 91.300(c), 91.320(b)

### 1. Introduction

The State of Maryland's Consolidated Plan guides the use of federal funding received through several grant programs administered under the U.S. Department of Housing and Urban Development (HUD) to address housing, community development, homeless, and economic development needs of its citizens, especially low income citizens and communities. This Consolidated Plan covers the period of July 2025 to June 2030 or Federal Fiscal/Program Years 2025 to 2029.

The Consolidated Plan covers the planning and application requirements for the following federal programs:

- Community Development Block Grant (CDBG)
- Emergency Solutions Grant (ESG)
- HOME Investment Partnerships Program (HOME)
- Housing Opportunities for Persons with AIDS (HOPWA)
- National Housing Trust Fund (HTF)

The Department of Housing and Community Development (DHCD) acts as the primary administrator and compliance manager for these programs. DHCD prepares and submits a Consolidated Plan to HUD every five years to maintain the State of Maryland's eligibility for grant awards in the above programs. The purpose of the document is to:

- Assess the State's affordable housing and community development needs;
- Analyze the State's housing market conditions;
- Identify the State's priorities, goals, and strategies to address areas of focus; and,
- Describe the specific steps the State will take to implement strategies for affordable housing and community development.

## 2. Summary of the Objectives and Outcomes Identified in the Plan Needs Assessment Overview

DHCD has identified seven goals and three overarching priorities to guide its federally funded programs over the next five year period. These goals include:

- **Goal One:** Promote attainable and accessible rental housing for low income households;
  - **Goal Two:** Promote sustainable and quality housing for low income homeowners to preserve existing housing stock, particularly for seniors to age in place;
  - **Goal Three:** Prevent homelessness through eviction prevention, diversion, renters rights outreach and education, and landlord compliance with fair housing and civil rights laws;
  - **Goal Four:** Develop supportive housing opportunities for persons experiencing homelessness, persons with special needs, and other vulnerable populations;
  - **Goal Five:** Develop viable infrastructure and public facilities to improve quality of life for Marylanders and encourage economic development;
  - **Goal Six:** Support local public service partners in providing resources to address community development needs in areas like senior services, youth services, job training, and food banks; and,
  - **Goal Seven:** Develop local community planning capacity to support improved living environments and strengthen economic and community development.
- 
- **Priority One:** Repair past damage and promote investment in historically underserved and marginalized communities throughout Maryland;
  - **Priority Two:** Address environmental impacts on underserved and overburdened communities; and,
  - **Priority Three:** Promote the development of accessible rental and homeowner housing opportunities near bus- and rail-based transit stations.

DHCD will report progress on the various goals identified in this Consolidated Plan through the submission of its annual Consolidated Annual Performance and Evaluation Report (CAPER) each fall.

Specific strategies for meeting these goals and the desired outcomes will be discussed in more detail in the Strategic Plan section of this report (SP-25 and SP-45).

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### 3. Evaluation of Past Performance

In general, DHCD was successful in achieving the goals outlined in its previous Consolidated Plan. The Program Years 2020 to 2024 Consolidated Plan identified the following four goals as areas of focus:

- **Goal One:** Increasing Affordable Rental Housing (with an emphasis on rental housing for low- and extremely-low income households, special needs populations including persons living with physical and mental disabilities as well as those living with HIV/AIDS);
- **Goal Two:** Promoting homeownership for first time homebuyers (including families with student debt and veterans);
- **Goal Three:** Community Revitalization (with an emphasis on small business expansion and lending); and,
- **Goal Four:** Reducing homelessness (with an emphasis on supportive housing for vulnerable populations, including the chronically homeless, youth, and veterans and those living with HIV/AIDS).

In the State's most recent Consolidated Annual Performance and Evaluation Report (CAPER), DHCD was able to achieve the following programmatic outcomes:

- 3,336 individuals received street outreach services, overnight emergency shelter, or rapid re-housing.
- 2,019 homeless households received emergency rental assistance through CDBG-CV funded projects.
- 19 municipalities and counties awarded CDBG grant funds for place-based and infrastructure projects.
- 37 extremely low-income and very low-income households received housing services through CDBG, HOME, and HTF funds.
- 6 loans completed by HOME and HTF to help finance the construction of 645 new units.
- 171 persons with HIV/AIDS received tenant based rental assistance.

This Consolidated Plan period of performance also encompassed the peak years of the COVID-19 pandemic which began in March 2020. Like many other communities, following the onset of the pandemic, Maryland has experienced housing production delays associated with pandemic supply chain disruptions and increased project costs. These challenges have primarily impacted the CDBG, HOME, and HTF formula grants, however, DHCD remains committed to increasing the available affordable housing stock across the state.

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### **4. Summary of Citizen Participation Process and Consultation Process**

In preparation of the FFY 2025-2029 Consolidated Plan, DHCD complied with all citizen participation requirements as outlined in 24 CFR 91.115 and DHCD's [Citizen Participation Plan](#).

Citizens were provided with several participation opportunities including nine public hearings, two public needs surveys, and a thirty-day public comment period. Throughout the entire engagement process, DHCD actively encouraged the participation of a wide range of citizens including low income persons, residents in non-entitlement CDBG communities, minorities, and non-English speaking persons.

Additional consultation was conducted with a variety of community stakeholders throughout the development of the Consolidated Plan. These stakeholders included public housing authorities, non-profit housing organizations, public service providers, local governments, local businesses, homelessness agencies, regional Continuums of Care, and other departments within the State of Maryland (e.g. Maryland Department of Health and Maryland Department of Disabilities).

A more detailed description of the entire citizen participation process and consultation process has been provided in PR-10 and PR-15 of this report.

### **5. Summary of Public Comments**

The Department of Housing and Community Development received thirteen verbal comments on its draft Consolidated Plan and four written comments. Each of these comments was accepted by the department and the entirety of these comments have been included as an attachment to this report with other citizen participation documents.

### **6. Summary of Comments or Views Not Accepted and the Reasons for not Accepting Them**

No public comments or views were not accepted as a part of the Consolidated Plan process.

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**PR-05 Lead & Responsible Agencies 24 CFR 91.300(b)**

**1. Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source**

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	MARYLAND	DHCD
HOPWA Administrator	MARYLAND	MDH
HOME Administrator	MARYLAND	DHCD
ESG Administrator	MARYLAND	DHCD
HTF Administrator	MARYLAND	DHCD

**Table 1 – Responsible Agencies**

**Narrative**

The Maryland Department of Housing and Community Development (DHCD) serves as the lead agency responsible for the preparation of the Consolidated Plan and the administration of the following grant programs: Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), Emergency Solutions Grant (ESG), and National Housing Trust Fund (HTF). The Maryland Department of Health (MDH) oversees and administers the Housing Opportunities for Persons with AIDS (HOPWA) grant program.

**Consolidated Plan Public Contact Information**

Any questions or comments about the Consolidated Plan process or the information contained in the plan should be directed to Lauren Metz, Senior Federal Compliance Analyst. Questions or comments can be submitted by physical mail to the Maryland Department of Housing and Community Development at 7800 Harkins Road, Lanham, MD 20706, by email to [lauren.metz@maryland.gov](mailto:lauren.metz@maryland.gov), or by phone at (301) 429-7707.

**PR-10 Consultation – 91.100, 91.110, 91.200(b), 91.300(b), 91.200(I) and 91.315(I)**

**1. Introduction**

The Consolidated Plan process requires that all grantees implement a detailed consultation strategy to engage with other public and private agencies in its region. The goal of this consultation is to gather information on the needs of various groups throughout the state and subsequently use this feedback to develop responsive goals and priorities for the subsequent five year period.

Each of the following sections will provide additional insight into the various organizations that were engaged as part of the consultation process. DHCD strived to have meaningful consultation with all required agency types as detailed in 24 CFR 91.110 and every agency type was contacted as part of the Consolidated Plan process. However, despite DHCD's efforts some agency types (specifically broadband internet service providers and emergency management agencies) did not respond to consultation outreach. As a result, DHCD substituted similar consultations completed within the last three years for these two agency types. These alternative forms of consultation asked similar engagement questions for service providers (both public and private) and DHCD believes it provides a comparable level of consultation as other Consolidated Plan efforts. These reports (which include the entire consultation process and feedback received) are listed below with other local/regional/state/federal planning efforts.

**Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I))**

The State of Maryland prioritizes the coordination of programs between its various agencies and other external community partners. DHCD, the Maryland Department of Health (MDH), and Maryland Department of Disabilities (MDOD) have maintained an interagency partnership since 2012 to administer various integrated and affordable housing opportunities for special populations in the state. This partner encompasses programs such as the Housing Opportunities for Persons With HIV/AIDS (HOPWA) and the Section 811 Project Rental Assistance Program.

DHCD, MDH, and MDOD individually maintain various councils or committees to collaborate with private and non-profit organizations specializing in health, mental health, and other public services. These committees meet regularly, and the feedback informs best practices for the implementation of the programs mentioned above. Each agency is also a member of the State Interagency Council on Homelessness and the Maryland Balance of State Continuum of Care. These two specific committees assist in the development of public health strategies to address the mental, physical, and developmental needs of people experiencing homelessness and reduce the risk of homelessness for persons exiting public institutions.

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### **Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.**

There are ten Continuums of Care (CoC) currently operating throughout Maryland: Anne Arundel, Baltimore City, Baltimore County, Carroll County, Howard County, Lower Shore, Maryland Balance of State, Mid-Shore, Montgomery County, and Prince George's County. DHCD serves as the lead agency for the Maryland Balance of State which includes nine rural counties (Garrett, Allegany, Washington, Frederick, Cecil, Harford, Charles, Calvert, and St. Mary's). Membership in these CoCs include a variety of service providers such as government agencies, housing agencies, homeless shelters, public health agencies, health-care facilities, and mental health facilities.

The State's Division of Homeless Solutions is based in DHCD and the division provides various homeless services funds (including ESG) to all CoCs in Maryland. State staff works closely with subgrantees to assess the needs of homeless households, solicit local input into statewide strategies, and provide training or technical assistance. DHCD also attends non-Balance of State CoC meetings to facilitate conversations and consistent practices throughout the region.

During the development of the Consolidated Plan, all CoCs were consulted on local homeless needs, gaps in resources of funding, gaps in public health and behavioral health resources, and ESG allocation policies and standards.

### **Describe consultation with the Continuum(s) of Care that serves the state in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies and procedures for the administration of HMIS.**

In 2018, the State of Maryland consolidated all funding streams that addressed homelessness into a new Homelessness Solutions Program (HSP) which would be administered by DHCD. HSP funds include both federal ESG grant allocations and local state funding. These funds are subsequently granted directly to CoC Collaborative Applicant/Lead Agencies each year. DHCD ESG funds are primarily awarded to non-entitlement jurisdictions - however, there may be exceptional circumstances where funding is made available to entitlement jurisdictions. These situations primarily involve extenuating circumstances where new and urgent conditions require funding to address homelessness trends or to successfully aggregate different funding streams to meet local needs.

Local CoCs work with their board and membership to develop an annual plan for allocating funds based on local needs, housing inventory, and other leveraged resources. CoCs are also required to engage biannually with DHCD staff in the Division of Homeless Solutions to discuss funding priorities, policies, procedures, performance targets, and general grant management and oversight at both the local and state level.

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DHCD operates the Maryland State Data Warehouse (MSDWH) which collects data from every CoC's Homeless Management Information System (HMIS) on a quarterly basis. The data is used by DHCD to create monthly performance reports for all homeless services projects across the state. DHCD staff will subsequently work with any CoC to address any project performance concerns and evaluate outcomes as needed. This work informs the priorities and funding strategies for ESG funds annually.

Each CoC's policies and procedures for HSP/ESG funds are reviewed annually during the monitoring process. This includes collaboration between DHCD staff and local CoCs to evaluate the effectiveness of projects and potential areas of opportunity for new procedures, implementation approaches, HMIS administration, system performance, and prospective projects. DHCD also allows local CoCs to utilize ESG funds for the development, administration, and contribution of data to their individual HMIS.

During the development of the Consolidated Plan, all CoCs were consulted on local homeless needs, gaps in resources of funding, gaps in public health and behavioral health resources, and ESG allocation policies and standards. This engagement took the form of public needs surveys as well as feedback sessions during Maryland Balance of State board meetings and/or other local CoC meetings.

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2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities

1	<b>Agency/Group/Organization</b>	Brunswick Main Street, Inc.
	<b>Agency/Group/Organization Type</b>	Other Government - Local Regional Organization Business and Civic Leaders Neighborhood Organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Economic Development Market Analysis Anti-Poverty Strategy
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The organization was consulted as a part of the needs assessment process and the group provided input through the public needs survey.
2	<b>Agency/Group/Organization</b>	Carroll County Government
	<b>Agency/Group/Organization Type</b>	Services - Housing Services - Children Services - Elderly Persons Services- Persons with Disabilities Services - Victims of Domestic Violence Services- Homeless Services - Fair Housing Agency - Managing Flood Prone Areas Agency - Management of Public Land or Water Resources Other Government - County
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homelessness Strategy Non-Homeless Special Needs Anti-Poverty Strategy
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The organization was consulted as a part of the needs assessment process and the group provided input through the public needs survey.

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3	<b>Agency/Group/Organization</b>	Cecil County Health Department
	<b>Agency/Group/Organization Type</b>	Services - Persons with HIV/AIDS Services - Health Health Agency Other Government - County
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Lead-Based Paint Strategy Non-Homeless Special Needs HOPWA Strategy Anti-Poverty Strategy
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The organization was consulted as a part of the needs assessment process and the group provided input through the public needs survey.
4	<b>Agency/Group/Organization</b>	Charles County Department of Community Services
	<b>Agency/Group/Organization Type</b>	Housing PHA Services - Housing Services - Children Services - Elderly Persons Services - Persons with Disabilities Child Welfare Agency Other Government - County
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Lead-Based Paint Strategy Public Housing Needs Homelessness Strategy Non-Homeless Special Needs Anti-Poverty Strategy
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The organization was consulted as a part of the needs assessment process and the group provided input through the public needs survey.

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5	<b>Agency/Group/Organization</b>	Chesapeake Neighbors
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services - Persons with Disabilities Services - Fair Housing
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homelessness Strategy Anti-Poverty Strategy
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The organization was consulted as a part of the needs assessment process and the group provided input through the public needs survey.
6	<b>Agency/Group/Organization</b>	City of Hyattsville
	<b>Agency/Group/Organization Type</b>	Housing Services - Fair Housing Agency - Managing Flood Prone Areas Agency - Management of Public Land or Water Resources Agency - Emergency Management Other Government - Local
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homelessness Strategy Economic Development Market Analysis Anti-Poverty Strategy
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The organization was consulted as a part of the needs assessment process and the group provided input through the public needs survey.
7	<b>Agency/Group/Organization</b>	Maryland Department of Labor, Licensing and Regulation
	<b>Agency/Group/Organization Type</b>	Services - Employment Other Government - State Business and Civic Leaders Grantee Department
	<b>What section of the Plan was addressed by Consultation?</b>	Economic Development Market Analysis

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	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The organization was consulted as a part of the needs assessment process and the group provided input through the public needs survey.
8	<b>Agency/Group/Organization</b>	Easton Economic Development Corporation
	<b>Agency/Group/Organization Type</b>	Services - Employment Regional Organization Business Leaders
	<b>What section of the Plan was addressed by Consultation?</b>	Economic Development Market Analysis
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The organization was consulted as a part of the needs assessment process and the group provided input through the public needs survey.
9	<b>Agency/Group/Organization</b>	Housing Opportunities Commission of Montgomery County
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services - Homeless Service-Fair Housing Other Government - County Regional Organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homelessness Strategy Anti-Poverty Strategy
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The organization was consulted as a part of the needs assessment process and the group provided input through the public needs survey.
10	<b>Agency/Group/Organization</b>	Maryland Department of Disabilities
	<b>Agency/Group/Organization Type</b>	Services - Housing Services - Children Services - Persons with Disabilities Services - Homeless Other Government - State Grantee Department

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	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs Anti-Poverty Strategy
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The organization was consulted as a part of the needs assessment section of this report and the agency provided data to support narratives in NA-45.
11	<b>Agency/Group/Organization</b>	His Hope Ministries
	<b>Agency/Group/Organization Type</b>	Services - Housing Services - Victims of Domestic Violence Services - Homeless
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied Youth Anti-Poverty Strategy
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The organization is a part of the State of Maryland's Continuum of Care and the group was consulted as a part of the needs assessment portion of this report.
12	<b>Agency/Group/Organization</b>	Jubilee Baltimore, Inc.
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services - Fair Housing Regional Organization Planning Organization Neighborhood Organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Market Analysis
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The organization was consulted as a part of the needs assessment process and the group provided input through the public needs survey.

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13	<b>Agency/Group/Organization</b>	Mid Shore Behavioral Health, Inc.
	<b>Agency/Group/Organization Type</b>	Services - Children Services - Elderly Persons Services - Persons with Disabilities Services - Persons with HIV/AIDS Services - Victims of Domestic Violence Services - Homeless Services - Health Services - Victims Health Agency Regional Organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically Homeless Homeless Needs - Families with Children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied Youth Non-Homeless Special Needs Anti-Poverty Strategy
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The organization is a part of the State of Maryland's Continuum of Care and the group was consulted as a part of the needs assessment portion of this report.
14	<b>Agency/Group/Organization</b>	Montgomery County Interagency Commission on Homelessness
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services - Children Services - Elderly Persons Services - Persons with Disabilities Services - Persons with HIV/AIDS Services - Victims of Domestic Violence Services - Homeless Services - Fair Housing Services - Victims Other Government - County Regional Organization Planning Organization

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	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically Homeless Homeless Needs - Families with Children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied Youth Anti-Poverty Strategy
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The organization is a part of the State of Maryland's Continuum of Care and the group was consulted as a part of the needs assessment portion of this report.
15	<b>Agency/Group/Organization</b>	Salisbury Neighborhood Housing Services, Inc.
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services - Fair Housing Regional Organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Market Analysis
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The organization was consulted as a part of the needs assessment process and the group provided input through the public needs survey.
16	<b>Agency/Group/Organization</b>	Somerset County Health Department
	<b>Agency/Group/Organization Type</b>	Services - Children Services - Elderly Persons Services - Persons with Disabilities Services - Persons with HIV/AIDS Services - Victims of Domestic Violence Services - Health Services - Victims Health Agency Child Welfare Agency Other Government - County

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	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Lead-Based Paint Strategy Non-Homeless Special Needs HOPWA Strategy
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The organization was consulted as a part of the needs assessment process and the group provided input through the public needs survey.
17	<b>Agency/Group/Organization</b>	Three Oaks Center
	<b>Agency/Group/Organization Type</b>	Services - Children Services - Elderly Persons Services - Victims of Domestic Violence Services - Homeless Services - Victims
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically Homeless Homeless Needs - Families with Children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied Youth Non-Homeless Special Needs HOPWA Strategy Anti-Poverty Strategy
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The organization is a part of the State of Maryland's Continuum of Care and the group was consulted as a part of the needs assessment portion of this report.

**Table 2 – Agencies, Groups, Organizations Who Participated**

**Identify any Agency Types not consulted and provide rationale for not consulting**

The Department of Housing and Community Development either consulted with or attempted consultation with all required agency types during the development of the Consolidated Plan.

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**Other Local/Regional/State/Federal Planning Efforts Considered When Preparing the Plan**

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	State of Maryland Department of Housing and Community Development	DHCD's goals for addressing homelessness are directly aligned with HUD's stated goals under the Continuum of Care model to make homelessness rare, brief, and non-recurring. This means (1) reducing first-time homelessness, (2) reducing the length of time people experience homelessness, and (3) reducing returns to homelessness after moving into permanent housing.
<a href="#">State of Maryland Hazard Mitigation Plan</a>	State of Maryland Emergency Management Agency	The proposed strategies and goals in the Hazard Mitigation Plan directly inform the information presented in the MA-65 section of the Consolidated Plan.
<a href="#">State of Maryland Statewide Digital Plan</a>	State of Maryland Department of Housing and Community Development	The proposed strategies and goals in the Statewide Digital Plan directly inform the information presented in the MA-60 section of the Consolidated Plan.
State Housing Needs Assessment	State of Maryland Department of Housing and Community Development	The State Housing Needs Assessment provided complementary data and analysis that was utilized in the Market Analysis portion of the Consolidated Plan.
<a href="#">Maryland Homeless Services Framework</a>	Maryland Interagency Council on Homelessness	The Maryland Homeless Services Framework establishes seven goals (with supporting actions and strategies) to address homelessness in Maryland and improve existing systems of services. These goals directly correlate to the current implementation of homeless programs at DHCD and the usage of ESG funds.

**Table 3 – Other Local/Regional/Federal Planning Efforts**

**Describe cooperation and coordination among the State and any units of general local government, in the implementation of the Consolidated Plan (91.315(I))**

DHCD actively seeks collaboration and cooperation with the various units of general local government (UGLG) throughout the state in the implementation of many housing or community development programs. Although DHCD engages with all local governments, a particular emphasis is placed on the coordination with UGLGs that are non-entitlement jurisdictions for the various HUD grant programs.

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UGLGs were consulted throughout the development process of the Consolidated Plan. All local governments in Maryland were invited to participate in the public needs survey or provide feedback on the housing and community development needs in their communities. A second survey for CDBG-eligible UGLGS was also conducted for additional feedback on local infrastructure and public facility needs.

Many of the projects that are undertaken in pursuit of the goals and priorities identified in this Consolidated Plan require the close collaboration of UGLGS. This collaboration may take the form of a UGLG serving as a subgrantee or a project partner in the development of affordable housing.

**PR-15 Citizen Participation – 91.105, 91.115, 91.200(c) and 91.300(c)**

**1. Summary of citizen participation process/Efforts made to broaden citizen participation  
Summarize citizen participation process and how it impacted goal-setting**

The State of Maryland complied with all citizen participation requirements as outlined in 24 CFR 91.115 and DHCD's [Citizen Participation Plan](#) during the development of the FFY 2025-2029 Consolidated Plan.

Citizens were provided with several participation opportunities including public hearings, public needs surveys, and a thirty day public comment period. Throughout the entire engagement process, DHCD actively encouraged the participation of a wide range of citizens including low income persons, residents in non-entitlement CDBG communities, minorities, and non-English speaking persons.

An initial set of public hearings were held in January 2025 to gather citizen feedback on housing and community development needs across the state. A total of three in-person hearings were scheduled during this period in La Plata, Columbia, and Easton as well as one virtual hearing. All in-person hearing locations were held in accessible locations convenient to both persons with disabilities and potential grant beneficiaries. Public notices announcing this series of public needs hearings were published ten days prior to the hearings in The Star Democrat, Southern Maryland News, and The Howard County Times.

Citizens were also invited to participate in an online public needs survey to provide DHCD with insight on housing and community development needs in local communities. The survey was open for a one month period from January 13, 2025 to February 14, 2025. Information about the survey was included in the public notices announcing the above public hearings and DHCD also sent email notifications about the survey to its various contact lists with over ten thousand subscribers. The survey received 302 responses and a summary of the results have been included as an attachment to the Consolidated Plan.

A thirty day public comment period on the draft Consolidated Plan was held from Tuesday, April 1, 2025 to Thursday, May 1, 2025. A notice of the draft Consolidated Plan was published on Friday, March 28, 2025 in four regional newspapers including the Herald Mail, The Star Democrat, Southern Maryland News, and The Howard County Times. Each publication offers a coverage area that is comprehensive of all regions of the state including non-entitlement areas for each of the five HUD grants. A copy of the public notice and the draft Consolidated Plan were made available on DHCD's website for the public. Comments and/or complaints were accepted by mail, email, or phone call during this period.

A final set of public hearings were held concurrently with the public comment period in April 2025 to allow citizens to provide feedback on the information contained in the draft Consolidated Plan. This set of public hearings included four in-person hearings in Hagerstown, West Waldorf, Centreville, and Columbia as well as one virtual hearing. All in-person hearing locations were again held in accessible locations convenient to both persons with disabilities and potential grant beneficiaries. Advertisements announcing this series of public hearings were included in the public notices for the public comment period as described above.

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Copies of all publication affidavits and each public notice have been included as an attachment to the Consolidated Plan. A list of public hearing attendees and notes from each public hearing has also been included as an attachment.

These various participation opportunities provided DHCD with key insight on the needs and concerns of citizens and potential grant beneficiaries. The responses from the public hearings and various surveys allowed DHCD to review the previous goals reported in the 2015 and 2020 Consolidated Plans and determine more relevant goals and priorities for current conditions in Maryland.

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Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of Response/Attendance	Summary of Comments Received	Summary of Comments Not Accepted and Reasons
1	Newspaper Ad	Non-Targeted/Broad Community	A Public Notice was placed in three regional newspapers on January 9, 2025. This notice informed citizens of the upcoming public hearings and provided information on providing feedback through either the public needs survey or direct conversations with DHCD staff.	No comments were received from the public notice publication.	No comments were not accepted from the public notice publication.
2	Public Hearing	Non-Targeted/Broad Community	DHCD held four public hearings between January 23-29, 2025 to assess housing and community needs across the state. No citizens attended any of these hearings.	No comments were received during the public hearings.	No comments were not accepted from the public hearings.

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<b>Sort Order</b>	<b>Mode of Outreach</b>	<b>Target of Outreach</b>	<b>Summary of Response/Attendance</b>	<b>Summary of Comments Received</b>	<b>Summary of Comments Not Accepted and Reasons</b>
3	Internet Outreach	Non-Targeted/Broad Community	In February 2025, DHCD sent a large-scale email advertising the public needs survey to over 13,000 email subscribers. DHCD staff received two emails with feedback following this email and each email has been included as an attachment to this report.	Two comments were received by email from the public needs survey email. Each email has been included as an attachment to this report.	No comments were not accepted from the public needs survey email.
4	Public Needs Survey	Non-Targeted/Broad Community	DHCD developed two public needs surveys to gather housing and community development needs input from citizens and organizations throughout the state. The survey was open from January 14, 2025 to February 14, 2025.	DHCD received 300 survey responses from citizens and organizations (280 from citizens and 20 from organizations). A summary of the feedback has been included in the NA-50 section of this report.	No comments were not accepted from the public needs survey.

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<b>Sort Order</b>	<b>Mode of Outreach</b>	<b>Target of Outreach</b>	<b>Summary of Response/Attendance</b>	<b>Summary of Comments Received</b>	<b>Summary of Comments Not Accepted and Reasons</b>
5	Newspaper Ad	Non-Targeted/Broad Community	A Public Notice was placed in four regional newspapers on March 28, 2025. This notice informed citizens of the upcoming public hearings and thirty day public comment period. It also provided information on providing feedback to DHCD staff.	2 public comments were received during the public comment period. Both have been included as an attachment to this report.	No comments were not accepted from the comment period.
6	Public Hearing	Non-Targeted/Broad Community	DHCD held five public hearings between April 21-25, 2025 to review the draft Consolidated Plan.	A total of 19 citizens attended the 5 public hearings held throughout the state. A total of 13 comments were received during the public hearings and each comment has been included in the hearing notes attached to this report.	No comments were not accepted from the public hearings.

**Table 4 – Citizen Participation Outreach**

## NA-05 Overview

### Needs Assessment Overview

The Needs Assessment portion of the Consolidated Plan provides data-driven insight into the housing and community development needs of residents throughout the state of Maryland. Its various sections examine topics such as cost burden, housing conditions, community development assets, and the needs of special populations such as the homeless, persons living with HIV/AIDS, and persons living in public housing.

The goal of the Needs Assessment is to provide an overview of conditions throughout the state. However, in many instances the most complete and accurate data sets available for the required fields was collected in 2021 or 2022. Each data source utilized throughout this portion of the Consolidated Plan is listed with the applicable table.

### Definitions

Included below are definitions for some of the items discussed throughout the Needs Assessment:

- **HAMFI:** “HUD Area Median Family Income” – the median family income calculated by HUD for each jurisdiction.
- **AMI:** “Area Median Income” – the midpoint of all household incomes within a specific geographical area (this can differ from HAMFI)
- **Small Family:** 2 persons, neither person 62 years or over, or 3 or 4 persons
- **Large Family:** 5 or more persons
- **Elderly:** a person aged 62 or older
- **Other Family Type:** any household composed of a single person or a group of unrelated individuals.

Other relevant definitions can be found in the written narratives attached to specific tables.

The different sections of the Needs Assessment also primarily distinguish households by various income levels. In general, these income categories include extremely low (households earning below 30% of the area median income), very low (households earning between 30-50% of the area median income), and low income (households earning between 50-80% of the area median income), however, low income can also be used interchangeably to describe all households earning below 80% of the area median income. These income thresholds are updated on an annual basis by HUD’s Office of Policy Development and Research and information on a specific year’s income limits can be found on the [HUD exchange](#).

**NA-10 Housing Needs Assessment - 24 CFR 91.305 (a,b,c)**

**Summary of Housing Needs**

This section of the Housing Needs Assessment provides detailed tables that highlight the demographics of Maryland households as well as differences in housing conditions for renters and homeowners. Each table in this section will provide a more detailed analysis, but, in general, this assembled data reveals several noteworthy findings:

- Elderly households are increasing throughout the state. The total number of households with at least one person aged 62 or older increased by 16.1% or 114,235 households since the 2020 Consolidated Plan. This increase in elderly households is almost equal to the gains made in Maryland’s overall number of households which increased by 5.4% or 116,780 households during the same time period.
- Housing cost burden continues to impact extremely low and low income renters the most of any demographic category. Renters earning below 30% of Area Median Income (AMI) are two times as likely to be cost burdened and three times as likely to be severely cost burdened compared to homeowners earning below 30% of AMI.
- Crowded housing conditions disproportionately impact all categories of renter households. A combined 29,420 low income renter households report crowding in their households compared to 8,909 low income homeowner households.
- Homeowners are more likely to have children under the age of six present in their households, especially homeowners earning above 100% of the AMI.

Demographics	Base Year: 2010	Most Recent Year: 2022	% Change
Population	5,696,423	6,161,707	8.17%
Households	2,121,047	2,318,124	9.29%
Median Income	\$70,647.00	\$98,461.00	39.37%

Data Source: 2006-2010 American Community Survey Five-Year Estimates, 2018-2022 American Community Survey Five-Year Estimates

**Table 5 - Housing Needs Assessment Demographics**

Table 5 examines demographics changes in Maryland between 2010 to 2022. During this time, the state saw increases in its total population, total households, and household median income. The state’s median income notably experienced an increase of 39.37% during this period with income rising from \$70,647 to \$98,461. This significant increase is reflected in the fact that Maryland is home to 10 counties that rank among the highest median household incomes in the United States (Howard, Calvert, Montgomery, Charles, Frederick, Anne Arundel, Carroll, St. Mary’s, Queen Anne’s, and Harford). However, this increase in median household income has corresponded to a subsequent increase in income inequality in every county except one throughout Maryland.

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**Number of Households Table**

<b>Household Types</b>	<b>0-30% HAMFI</b>	<b>&gt;30-50% HAMFI</b>	<b>&gt;50-80% HAMFI</b>	<b>&gt;80- 100% HAMFI</b>	<b>&gt;100% HAMFI</b>
Total Households	306,630	257,745	291,900	232,605	1,205,400
Small Family Households	82,870	87,925	100,340	91,205	623,440
Large Family Households	19,430	23,560	25,045	22,165	111,700
Household contains at least one person 62-74 years of age	75,710	61,880	74,850	56,405	292,655
Household contains at least one person age 75 or older	54,780	45,495	41,350	25,865	94,200
Households with one or more children 6 years old or younger	44,195	45,435	42,775	35,335	174,150

Data Source: HUD Consolidated Housing Annual Summary (CHAS): 2017-2021

**Table 6 - Total Households Table**

Table 6 details several different types of households within Maryland as categorized by income level. The majority of Maryland’s households (52.5%) earn above 100% of AMI (\$124,500) while 37.3% of households are classified as low income (earning below 80% of AMI). Over a third of all households in the state (35.9%) contain at least one person over the age of 62. This elderly population also has the highest concentration of low income households (354,065) among those reported in Table 11.

The total number of households in the state increased by 5.4% (116,780 households) from the data reported in the 2020 Consolidated Plan. Most of this gain in households could be attributable to the change in total elderly households which increased by 114,235 (16.1%) during this same period. Households with at least one person between the ages of 62 to 74 saw the highest demographic increase (18.4% or 87,085 households). Households with one or more children ages 6 or younger decreased by 1.9% or 6,590 households from the 2020 Consolidated Plan. These demographics ultimately highlight the growing aging population throughout the state as the ‘baby boomer’ generation reaches retirement and beyond.

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Housing Needs Summary Tables

1. Housing Problems (Households with One of the Listed Needs)

Number of Households	Renter					Owner				
	0-30% AMI	> 30-50% AMI	> 50-80% AMI	> 80-100% AMI	Total	0-30% AMI	> 30-50% AMI	> 50-80% AMI	> 80-100% AMI	Total
Substandard Housing - Lacking complete plumbing or kitchen facilities	4,190	1,970	1,205	575	<b>7,940</b>	930	720	880	635	<b>3,165</b>
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	3,845	3,110	1,655	1,560	<b>10,170</b>	175	435	465	345	<b>1,420</b>
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	6,305	5,975	4,385	2,110	<b>18,775</b>	1,240	2,340	2,160	1,655	<b>7,395</b>
Housing cost burden greater than 50% of income (and none of the above problems)	116,485	37,120	5,880	860	<b>160,345</b>	69,655	33,565	15,475	5,600	<b>124,295</b>
Housing cost burden greater than 30% of income (and none of the above problems)	19,755	62,430	50,515	15,870	<b>148,570</b>	18,565	35,175	34,545	50,940	<b>137,980</b>

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Number of Households	Renter					Owner				
	0-30% AMI	> 30-50% AMI	> 50-80% AMI	> 80-100% AMI	Total	0-30% AMI	> 30-50% AMI	> 50-80% AMI	> 80-100% AMI	Total
Zero/negative Income (and none of the above problems)	13,775	0	0	0	<b>13,775</b>	9,270	0	0	0	<b>9,270</b>

Data Source: HUD Consolidated Housing Annual Summary (CHAS): 2017-2021

**Table 7 – Housing Problems Table**

Any household experiencing one or more of the following conditions is classified as being impacted by a ‘housing problem’. These conditions include substandard housing (lacking complete plumbing or kitchen facilities), overcrowding, and housing cost burden. Households with any of these conditions are more likely to experience housing instability or health and safety hazards.

The most common housing problem for Maryland households is housing cost burden. Almost a third of all households in the state (27.8%) are cost burdened by either 30 or 50%. Cost burden poses a problem for both homeowners and renters alike. 20.6% of homeowners and 42.2% of renters report some level of cost burden. These rates represent a slight decrease compared to the previously reported levels when 30.8% of households (669,880) reported some level of cost burden. However, this overall decrease is primarily the result of fewer homeowners (37,485) experiencing cost burden. Renters experiencing cost burden during this period increased by 5,175 households with 3,485 of these households reporting cost burden greater than 50%. Housing cost burden is further discussed in Tables 9 and 10 of this section.

In general, households reporting the other three housing problems remained consistent from the 2020 Consolidated Plan with two exceptions. The total number of reported substandard kitchen or plumbing facilities for renters decreased from 17,640 households to 9,980 households. On the other hand, the total number of renter households reporting severe overcrowding increased from 9,845 to 13,355.

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2. Housing Problems 2

Number of Households	Renter					Owner				
	0-30% AMI	> 30-50% AMI	> 50-80% AMI	> 80-100% AMI	Total	0-30% AMI	> 30-50% AMI	> 50-80% AMI	> 80-100% AMI	Total
Having 1 or more of four housing problems	130,830	48,175	13,125	5,105	<b>197,235</b>	71,995	37,055	18,980	8,235	<b>136,265</b>
Having none of four housing problems	61,685	85,740	109,060	76,535	<b>333,020</b>	42,120	86,770	150,735	142,730	<b>422,355</b>

Data Source: HUD Consolidated Housing Annual Summary (CHAS): 2017-2021

Table 8 – Housing Problems 2

Table 8 examines the breakdown between households experiencing a severe housing problem (lacking complete plumbing or kitchen facilities, severe overcrowding, and cost burden > 50%) and households with no housing problems. For households earning below 100% of area median income, the majority (69.4%) report no severe housing problems, an increase from the 2020 Consolidated Plan when 66.8% of households reported the same. Renters earning below 100% of area median income are 12.8% more likely to experience a severe housing problem compared to homeowners. Reports of severe housing problems by renters increased by 3.1% or 5,935 households in the last five year period.

Households Experiencing 1 or More Housing Problem

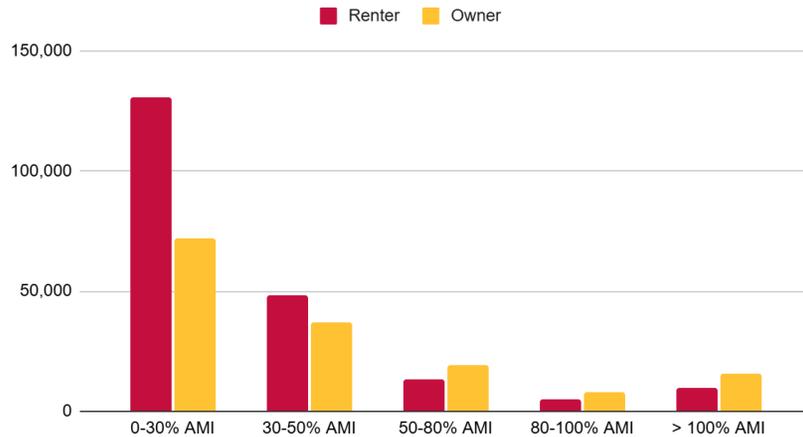


Chart 1 - Total Households Experiencing 1 or More Housing Problem

% of Households Experiencing 1 or More Housing Problem

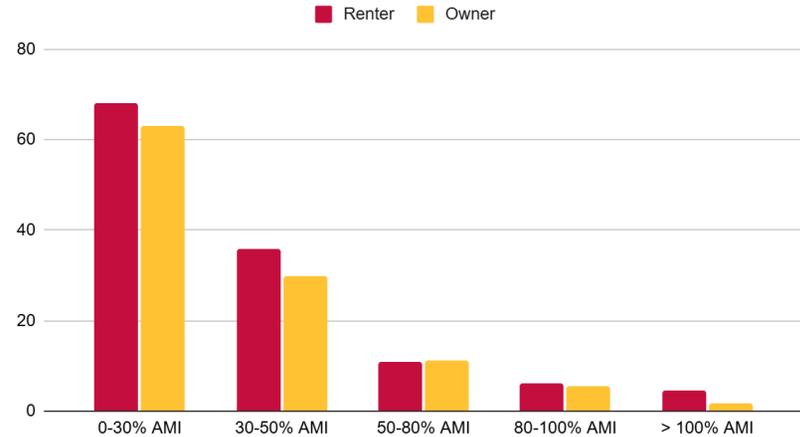


Chart 2 - Percentage of Households Experiencing 1 or More Housing Problem

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Charts 1 and 2 illustrate the breakdown between renter and homeowner households experiencing at least one severe housing problem. If the total number of households only is examined, then renter households primarily represent the largest group reporting a housing problem. In particular, renter households earning below 50% of the area median income significantly outnumber homeowner households earning the same income. However, when these households are examined as a percentage of all households within a specific income range, it reveals that renter and homeowner households generally report similar levels of housing problems.

### 3. Cost Burden > 30%

Number of Households	Renter				Owner			
	0-30% AMI	> 30-50% AMI	> 50-80% AMI	Total	0-30% AMI	> 30-50% AMI	> 50-80% AMI	Total
Small Related	6,305	30,780	18,855	<b>55,940</b>	3,525	11,545	19,400	<b>34,470</b>
Large Related	2,230	6,790	3,485	<b>12,505</b>	905	4,445	5,155	<b>10,505</b>
Elderly	9,145	12,755	7,450	<b>29,350</b>	12,280	16,340	16,450	<b>45,070</b>
Other	4,640	18,530	22,230	<b>45,400</b>	2,320	4,110	9,415	<b>15,845</b>
Total need by income	22,320	68,855	52,020	<b>143,195</b>	19,030	36,440	50,420	<b>105,890</b>

Data Source: HUD Consolidated Housing Annual Summary (CHAS): 2017-2021

**Table 9 – Cost Burden > 30%**

A household is considered cost burdened if it spends more than 30% of its gross income on housing related items including rent, mortgage, and utilities. Table 9 examines cost burden levels between 31-50% for four demographic categories among low income households. A household is categorized as 'other' if it does not meet the other classifications such as a single-person household.

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Cost Burdened Renter Households by Income Category

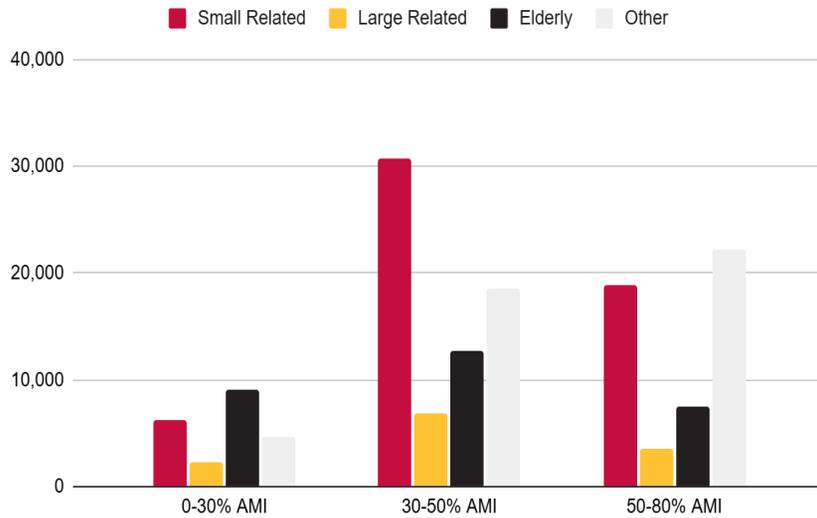


Chart 3 - Cost Burdened Renter Households by Income Category

Cost Burdened Homeowner Households by Income Category

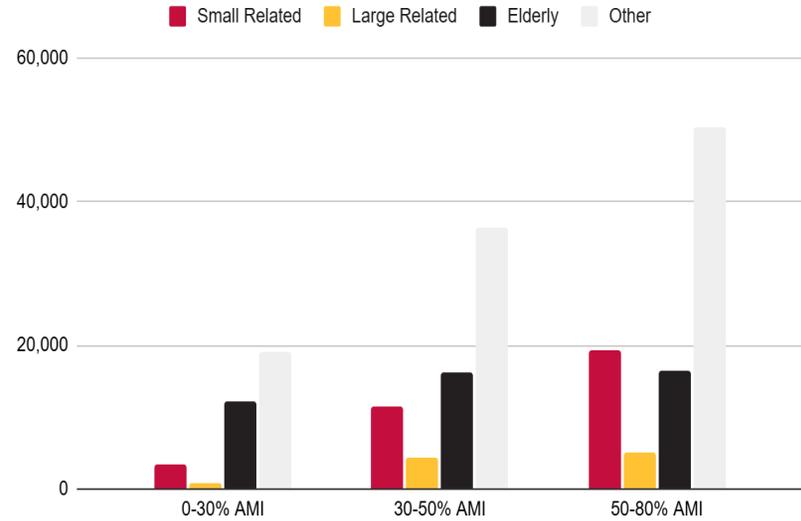


Chart 4 - Cost Burdened Homeowner Households by Income Category

Very low income households (30-50% AMI) report the highest levels of cost burden for all renters followed by low income households (50-80%). These same two income groups also represent the highest surveyed cost burden among homeowners with low income households reporting the most burden followed by very low income households.

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Share of Cost Burdened Renter Households (30-50%) by Sub-Population

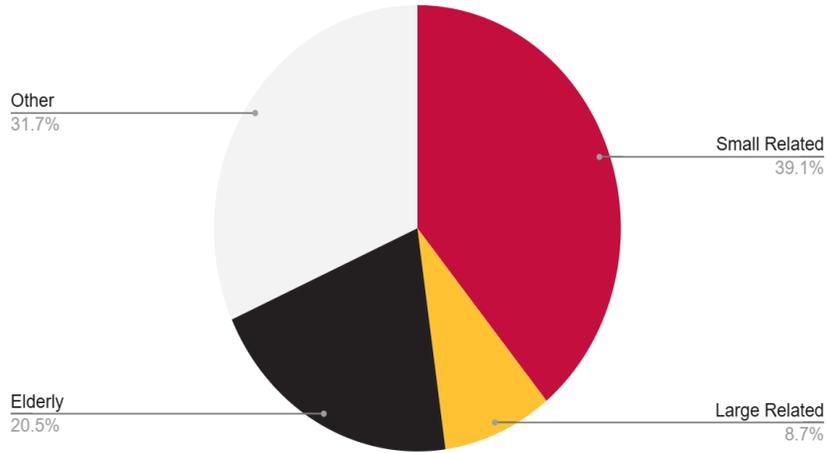


Chart 5 - Share of Renter Cost Burden by Sub-Population

Share of Cost Burdened Homeowner Households (30-50%) by Sub-Population

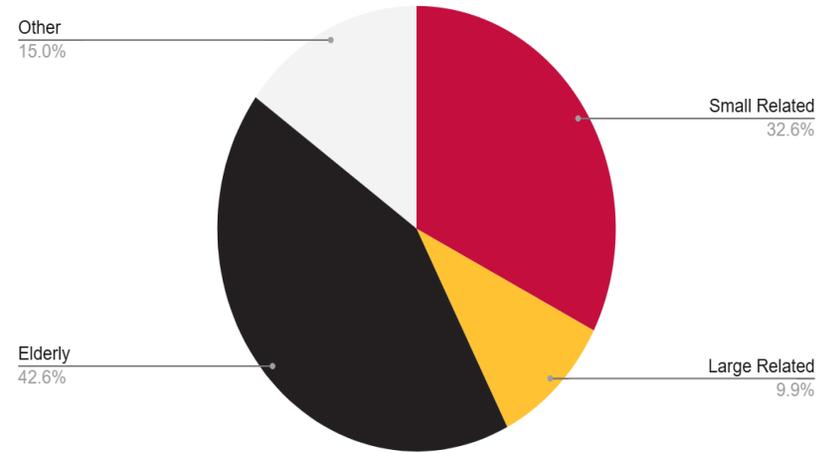


Chart 6 - Share of Homeowner Cost Burden by Sub-Population

Among all low income households, a third of renters (31.9%) and a quarter of homeowners (25.9%) report cost burden between 31 to 50%. Within this group of cost burdened households, small related households represent the largest share of cost burdened renters (39.1%) while elderly households represent the largest share of cost burdened homeowners (42.6%) (as shown in Charts 5 and 6). For both renters and homeowners, elderly households experienced the highest growth in reported cost burden with rates increasing by 9.9% for homeowners and 21.3% for renters in the last five years.

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4. Cost Burden > 50%

Number of Households	Renter				Owner			
	0-30% AMI	> 30-50% AMI	> 50-80% AMI	Total	0-30% AMI	> 30-50% AMI	> 50-80% AMI	Total
Small Related	42,800	13,980	1,755	<b>58,535</b>	17,015	10,820	4,995	<b>32,830</b>
Large Related	10,085	2,675	110	<b>12,870</b>	3,975	2,730	810	<b>7,515</b>
Elderly	30,785	8,340	2,175	<b>41,300</b>	36,335	14,90	6,545	<b>57,170</b>
Other	42,475	13,695	2,300	<b>58,470</b>	13,495	6,315	3,190	<b>23,000</b>
Total Need by Income	126,145	38,690	6,340	<b>171,175</b>	70,820	34,155	15,540	<b>120,515</b>

Data Source: HUD Consolidated Housing Annual Summary (CHAS): 2017-2021

Table 10 – Cost Burden > 50%

A household is considered severely cost burdened if it spends more than 50% of its gross income on housing related items including rent, mortgage, and utilities. Table 10 examines cost burden levels above 50% for four demographic categories among low-income households. A household is categorized as ‘other’ if it does not meet the other classifications such as a single-person household.

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Share of Severely Cost Burdened Renter Households (>50%) by Sub-Population

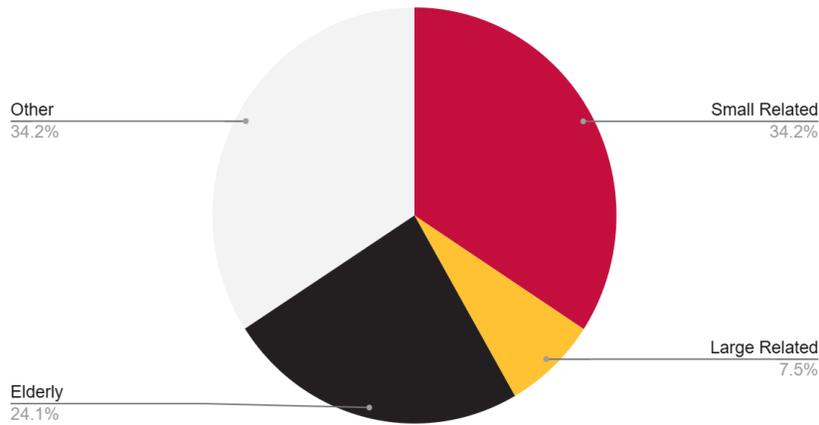


Chart 7 - Share of Renter Severe Cost Burden by Sub-Population

Share of Severely Cost Burdened Homeowner Households (>50%) by Sub-Population

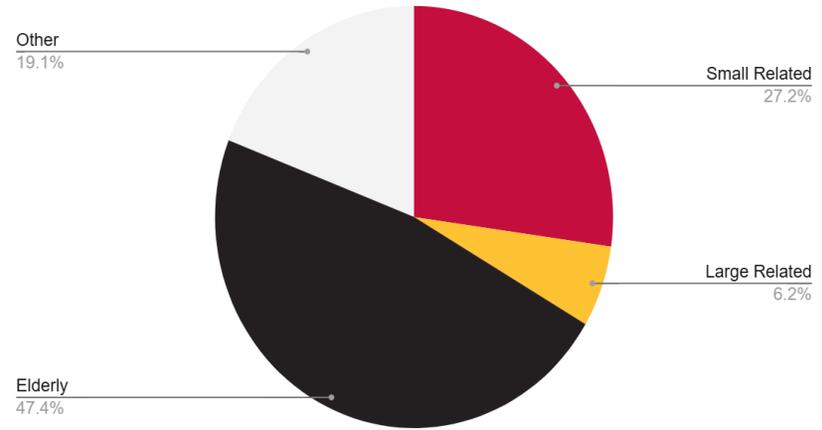


Chart 8 - Share of Homeowner Severe Cost Burden by Sub-Population

Among all low income households, almost 40% of renters (38.2%) and nearly 30% of homeowners (29.6%) report cost burden above 50%. Small related households and other households represent the largest shares of cost burdened renters (34.2%) while elderly households again represent the largest share of cost burdened homeowners (47.4%). All demographic categories of homeowners saw a decrease in households reporting severe cost burden over the last five years with the exception of elderly homeowners which increased by 6.9% (3,695 households). Elderly households experiencing cost burden also increased for renters by 34.5% (9,720 households) during this same period.

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Severely Cost Burdened Renter Households by Income Category

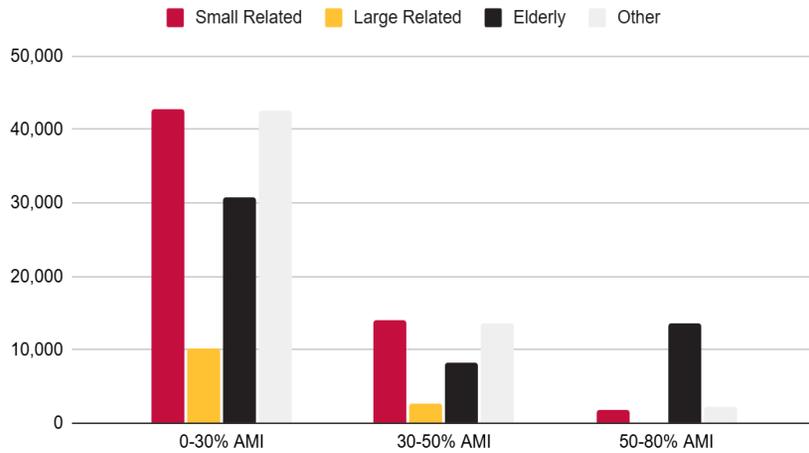


Chart 9 - Severely Cost Burdened Renter Households by Income

Severely Cost Burdened Homeowner Households by Income Category

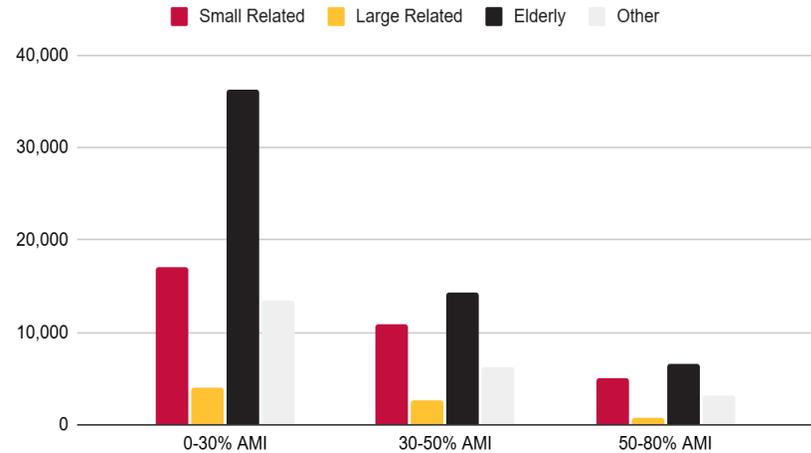


Chart 10 - Severely Cost Burdened Homeowner Households by Income

Unlike households reporting between 31-50% cost burden, extremely low income households (below 30% AMI) substantially report the highest instances of severe cost burden. Almost three-quarters of extremely low income renters (73.7%) and over half of extremely low income homeowners (58.8%) spend more than half of their gross income on housing related expenses.

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5. Crowding (More than One Person per Room)

Number of Households	Renter					Owner				
	0-30% AMI	> 30-50% AMI	> 50-80% AMI	> 80-100% AMI	Total	0-30% AMI	> 30-50% AMI	> 50-80% AMI	> 80-100% AMI	Total
Single Family Households	8,870	7,830	4,920	2,920	<b>24,540</b>	1,035	2,005	1,860	1,380	<b>6,280</b>
Multiple, Unrelated Family Households	940	1,035	750	545	<b>3,270</b>	380	800	770	605	<b>2,555</b>
Other, Non-Family Households	630	310	415	255	<b>1,610</b>	10	4	10	50	<b>74</b>
Total Need by Income	10,440	9,175	6,085	3,720	<b>29,420</b>	1,425	2,809	2,640	2,035	<b>8,909</b>

Data Source: HUD Consolidated Housing Annual Summary (CHAS): 2017-2021

Table 11 – Crowding Information – 1/2

Overcrowding refers to more than one person per room in a household. This figure is calculated by taking the total number of residents in a property divided by the total number of rooms in the same property. For example, if a property has 4 residents and 3 rooms then the property has 1.33 persons per room and the property would be considered “overcrowded.” The figures included in Table 11 are also inclusive of ‘severely overcrowded’ households which refers to households with more than 1.5 persons per room.

Households with overcrowding are more likely to experience adverse health conditions as well as poor educational attainment for any children. Overcrowding can also indicate other potential housing problems for a household such as property disrepair, insufficient heating, and housing cost burden.

Table 11 shows that 32,574 low-income households or 1.42% of all households in Maryland are living in crowded conditions. Low income renters comprise 78.9% of these crowded households and low income renters are almost four times more likely to experience overcrowding compared to low income homeowners. These figures represent a decrease in crowded conditions from the 2020 Consolidated Plan when 34,820 low-income households or 1.6% of all households in Maryland reported crowded conditions.

6. Households with Children Present

Households with Children Present	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Households with Children Present	34,230	30,695	21,540	<b>86,465</b>	9,965	14,740	21,235	<b>45,940</b>

Data Source: HUD Consolidated Housing Annual Summary (CHAS): 2017-2021

Table 12 – Crowding Information – 2/2

Table 12 includes information on households with children under the age of six. Low income renter households are almost twice as likely to have children under the age of six in a household compared to low income homeowners. When all income categories are considered, however, homeowner households include more children under the age of six (155,325 households) than renter households (98,880 households).

**Describe the number and type of single person households in need of housing assistance.**

Maryland reports 647,255 single person households with 259,289 of these households including a person over the age of 65. These households include only one person and are not representative of households with a single head of household and minor dependents. Females comprise 58.3% of total single person households and 68.8% of single households with a person over the age of 65.

Among the four housing problems discussed in this section, single person households are most likely to report housing cost burden problems. This is largely due to the fact that these households only feature one source of income yet still face comparable housing expenses (such as rent or mortgage) to non-single person households. Details about these households were captured in the ‘other’ category in Tables 9, 10, and 11 of this section. Although not exclusive of single person households, this information highlights that ‘other’ households represent a third of all low income renters reporting both cost burden and severe cost burden (31.7% and 33.9% respectively). Extremely low income ‘other’ households comprise almost a quarter (24.8%) of all low income renter households reporting severe cost burden. Low income ‘other’ homeowner households fare slightly better with less than 20% reporting either cost burden or severe cost burden (14.9% and 19.1% respectively).

This information suggests that single person households may be more likely to require housing assistance targeted for eviction prevention or rental/mortgage arrears. Beyond housing assistance, single person households, particularly those experiencing severe cost burden, may be more likely to also seek the support of public services providing healthcare or food assistance to alleviate total expenses for the household.

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### **Estimate the number and type of families in need of housing assistance who are disabled or victims of domestic violence, dating violence, sexual assault and stalking.**

There are a reported 926,135 households in Maryland that report having a household member with some form of disability (hearing or vision impairment, ambulatory limitation, cognitive limitation, or self-care/independent living limitation). Disabled citizens may require special conditions to cultivate accessible housing. This assistance could include ramps, elevators, wider doorways within a property, and accessible washroom facilities.

Maryland's Department of Disabilities offers housing assistance for individuals with disabilities. The department has four housing programs targeted for low income renter households which allows participants to pay a maximum of 30% of household income for rent and utilities. At the time of submission of this report, the Department of Disabilities had a cumulative waitlist of 4,920 individuals for these four programs. Applicants for assistance are selected from priority groups with individuals exiting institutions being given the highest priority followed by those at imminent risk of homelessness.

Individuals or families who are victims of domestic violence, dating violence, sexual assault, or stalking often require immediate housing assistance to ensure the safety of the individual or family. These households primarily receive housing assistance in the form of emergency shelters, rapid re-housing, transitional housing, or non-residential supportive services.

Data from the 2024 Homeless Point-In-Time count indicated that on a single night in 2024, 399 homeless individuals in the state of Maryland were victims of domestic violence. Further information from the Maryland Network Against Domestic Violence reported that during a single 24-hour period in late 2023, 555 adult and child victims of domestic violence were utilizing various housing assistance services provided by local communities. An additional 299 individuals made requests for service during this time that were unmet due to a lack of sufficient local resources.

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### What are the most common housing problems?

Data on the prevalence of housing problems for both renters and homeowners was captured in Table 7 of this section. Housing problems refers to one of the following conditions: substandard housing (lacking complete plumbing or kitchen facilities, overcrowding, and housing cost burden).

Almost half of all renters (48.6%) report having one or more of the four housing problems. This rate of reported housing problems is seven times higher than for homeowners reporting one or more of the four housing problems (6.8%). The chart below depicts the amount of renter and homeowner households reporting each of the various housing problems.

Housing Problem	% Renters Reporting Problem	Total Renter Households with Problem	% Owner Reporting Problem	Total Owner Households with Problem
Substandard Housing (Lacking complete plumbing or kitchen facilities)	1.3%	9,980	0.4%	6,030
Severe Overcrowding	1.8%	13,355	0.2%	2,790
Overcrowding	3.1%	23,035	0.8%	13,060
Severe Cost Burden	21.4%	160,795	8.5%	129,970
Cost Burden	21.0%	157,885	12.1%	188,920

Data Source: HUD Consolidated Housing Annual Summary (CHAS): 2017-2021

**Table 13 - Housing Problems by Homeowner and Renter**

As Table 13 highlights, the most common housing problem for both renters and homeowners is housing cost burden. 42.4% of renter households and 20.6% of homeowner households report some level of cost burden. This is followed by overcrowding as the second most common problem for each type of household.

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### Are any populations/household types more affected than others by these problems?

The impact of housing problems differs greatly between households in Maryland. As Table 14 illustrates below, extremely-low income households have the most households reporting a housing problem among all income levels (241,145 households). This rate of housing problems is almost four times as high as for households earning between 81-100% of AMI. Very low income households report similarly high instances of housing problems (182,840 households). In particular, extremely low and very low income households are most affected by housing cost burden as noted in Tables 9 and 10.

Income Level	% of All Renters	Total Households with Problem	% of All Homeowners	Total Households with Problem
0-30% AMI	20.1%	150,580	5.9%	90,565
31-50% AMI	14.7%	110,605	4.8%	72,235
51-80% AMI	8.5%	63,640	4.4%	68,675
81-100% AMI	2.8%	20,975	2.8%	42,780
> 100% AMI	2.6%	19,250	4.3%	66,515
Total	48.7%	365,050	22.2%	340,770

Data Source: HUD Consolidated Housing Annual Summary (CHAS): 2017-2021

**Table 14 - Housing Problems by Income Level**

Almost an equal number of renter and homeowner households are impacted by housing problems (365,050 and 340,770 households respectively). However, as a proportion of its total population, 48.7% of all renters experience a housing problem compared to 22.2% of homeowners. This would indicate that renters as a household type are more likely to experience a housing problem than homeowners.

Finally, elderly and small household types experience higher instances of housing cost burden than other groups. A quarter of all elderly households (25.3%) and almost a quarter of small family households (23.7%) report some degree of cost burden. Elderly renters report higher instances of cost burden compared to elderly homeowners (44.2% and 20.2% respectively) which is likely the result of these households experiencing market rate housing rents while living on a fixed income unlike homeowners.

**Describe the characteristics and needs of Low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)). Also discuss the needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance**

Those currently housed but in jeopardy of becoming homeless are characterized as having insufficient income to manage growing fair market rent and mortgage rates. Formerly homeless households nearing the end of rental assistance are similarly faced with an inability to acquire the income necessary to manage rent burden. In State Fiscal Year 2024, approximately 1,780 households received homelessness prevention services and were considered at imminent risk of entering shelters or becoming unsheltered across Maryland counties; represented by 10 Continuums of Care.

Households that have received rapid re-housing assistance are formerly homeless, previously residing in shelter, or in a place not meant for human habitation. These households are assisted with supportive services, housing identification and move-in assistance, and short to medium-term rental assistance (up to 24 months). In order to receive assistance through the ESG program, households must earn 30% or less of the area median income. This population is particularly vulnerable to housing cost burdened and excessive housing costs (typically associated with the rental market).

**If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates:**

DHCD uses HUD's definition for 'at-risk of homeless'. Households are thereby considered "at-risk" if they:

- Have an annual income below 30 percent of median family income for the area, as determined by HUD; and,
- Do not have sufficient resources or support networks (e.g., family, friends, faith-based or other social networks) immediately available to prevent them from moving to an emergency shelter or unsheltered location; and,
- Meets one of the following conditions:
  - Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
  - Is living in the home of another because of economic hardship;
  - Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;
  - Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by Federal, State, or local government programs for low-income individuals;

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- Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 persons reside per room, as defined by the U.S. Census Bureau;
- Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution)

### **Specify particular housing characteristics that have been linked with instability and an increased risk of homelessness**

The most common housing characteristics for households with housing instability and at imminent risk of homelessness are:

1. **Overcrowding and Lack of Resources to Move** - Current Annual Homeless Data from 10 Continuum of Cares serving 24 counties suggest a Permanent Supportive Housing Bed inventory of 10,482 despite the 21,489 persons accessing homeless service resources. The National Low Income Housing Coalition estimates that there are 32 affordable and available units per 100 renters for those below 30% AMI and 59 units per 100 renters at 50% or less AMI.
2. **Severe Housing Cost Burden** - The majority of households at risk for homelessness have income that is not sufficient for housing to be considered "affordable." Most households being assisted by Continuums of Care with homelessness prevention resources, shelter, or street outreach are below 30% AMI and are spending more than 50% of their income on housing when compared to typical Maryland rental unit costs. According to a report released by the National Low Income Housing Coalition in 2024, 197,310 or 26% of renting households in Maryland have an income below 30% AMI. The average income limit for a 4 person low-income household was \$37,740 despite the \$76,345 annual income required to afford a 2-bedroom rental at HUD's Fair Market Rent. As a result, 73% of low income rentals are severely cost burdened.
3. **Prior Homelessness** - Prior experiences of homelessness is also a significant risk factor for experiencing homelessness again. According to the 2024 PIT count, 16% of persons experiencing homelessness on any given night met the HUD definition of chronically homeless.

The needs among persons experiencing homelessness in Maryland are broad and include people experiencing a minor disruption in their ability to pay for housing, people leaving institutions and foster care, people without legal status, and seniors and persons living with a disability. In general, Maryland needs more affordable homes, as well as permanent supportive housing and stronger connections to behavioral and mental health services, for persons experiencing homelessness. PIT count data supports that at present, on any given night, 21% of those experiencing homelessness are severely mentally ill.

**NA-15 Disproportionately Greater Need: Housing Problems - 91.305 (b)(2)**

**Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.**

**Introduction**

This section assesses the need of various racial and ethnic groups to determine if there is a disproportionate need for any one group within each income level. A disproportionately greater need exists when the members of a racial or ethnic group at a given income level experience housing problems at a greater rate than the income level as a whole (defined as ten percentage points or more). Housing problems are defined as substandard housing (lack of complete plumbing or kitchen facilities), overcrowding, and housing cost burden between 31-50%.

The table below provides an overview of Maryland’s total households by the six racial and ethnic groups reported in this section in addition to an ‘other’ category which is not captured in the subsequent tables.

Racial/Ethnic Group	Total Households	% of Population
Jurisdiction as a Whole	2,294,270	100.00%
White	1,258,140	54.84%
Black/African American	671,685	29.28%
Asian	129,180	5.63%
American Indian, Alaska Native	3,754	0.16%
Pacific Islander	863	0.04%
Hispanic	164,850	7.19%
Other	65,798	2.86%

Data Source: HUD Consolidated Housing Annual Summary (CHAS): 2017-2021

**Table 15 - Maryland Racial Breakdown**

Available data for this section combines households with no housing problems and households with no or negative income but none of the other housing problems. As a result, information entered into the ‘has none of the four housing problems’ column will be inclusive of each category. Additionally, the sample size for American Indian/Alaska Native and Pacific Islander households is extremely small for the state of Maryland. This limited population size has resulted in skewed and unreliable estimates for each of these populations. In light of this, these populations will not be considered when each income level’s need is discussed in more detail.

Groups that report housing problems above the state average but below the threshold for a disproportionate need will be highlighted in an orange color in subsequent tables while groups that report housing problems above the threshold for a disproportionate need will be highlighted in a dark red.

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**0%-30% of Area Median Income**

<b>Housing Problems</b>	<b>Has one or more of four housing problems</b>	<b>Has none of the four housing problems</b>	<b>Total</b>	<b>% of Population with a Housing Problem</b>
Jurisdiction as a whole	241,145	65,485	306,630	78.64%
White	93,425	30,145	123,570	75.60%
Black / African American	103,350	25,215	128,565	80.39%
Asian	11,830	4,240	16,070	73.62%
American Indian, Alaska Native	630	340	970	64.95%
Pacific Islander	20	39	59	33.89%
Hispanic	23,480	3,710	27,190	86.35%

Data Source: HUD Consolidated Housing Annual Summary (CHAS): 2017-2021

**Table 16 - Disproportionally Greater Need 0 - 30% AMI**

Among households earning between 0-30% of the Area Median Income, 78.64% of households reported one or more housing problems, however, no racial or ethnic group had a disproportionately greater need. Three racial groups (White, Black/African American, and Asian) reported housing problems comparable to the jurisdiction as a whole (75.60%, 80.39%, and 73.62% respectively). Hispanic households were the closest ethnic group to a disproportionate greater need with 86.35% of households reporting one or more housing problems.

**30%-50% of Area Median Income**

<b>Housing Problems</b>	<b>Has one or more of four housing problems</b>	<b>Has none of the four housing problems</b>	<b>Total</b>	<b>% of Population with a Housing Problem</b>
Jurisdiction as a whole	182,840	74,905	257,745	70.93%
White	71,685	43,265	114,950	62.36%
Black / African American	72,495	21,880	94,375	76.82%
Asian	9,210	3,060	12,270	75.06%
American Indian, Alaska Native	190	145	335	56.72%
Pacific Islander	110	85	195	56.41%
Hispanic	23,945	4,510	28,455	84.15%

Data Source: HUD Consolidated Housing Annual Summary (CHAS): 2017-2021

**Table 17 - Disproportionally Greater Need 30 - 50% AMI**

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Among households earning between 31-50% of the Area Median Income, 70.94% of households reported one or more housing problems. Hispanic households reported a disproportionately greater need with 84.15% of households experiencing at least one housing problem. Black/African American and Asian households each reported higher levels of housing problems compared to the jurisdiction as a whole (76.82% and 75.06% respectively), but neither race ultimately reported levels to be considered having a disproportionate greater need.

**50%-80% of Area Median Income**

<b>Housing Problems</b>	<b>Has one or more of four housing problems</b>	<b>Has none of the four housing problems</b>	<b>Total</b>	<b>% of Population with a Housing Problem</b>
Jurisdiction as a whole	132,315	159,580	291,895	45.33%
White	6,480	88,535	151,015	41.37%
Black / African American	45,980	49,930	95,910	47.94%
Asian	6,675	5,710	12,385	53.89%
American Indian, Alaska Native	260	190	450	57.78%
Pacific Islander	105	30	135	77.78%
Hispanic	12,705	11,390	24,095	52.73%

Data Source: HUD Consolidated Housing Annual Summary (CHAS): 2017-2021

**Table 18 - Disproportionally Greater Need 50 - 80% AMI**

Among households earning between 51-80% of the Area Median Income, 45.33% of households reported one or more housing problems. No racial or ethnic group had a disproportionately greater need in this income level. Black/African American, Asian, and Hispanic households each reported higher levels of housing problems compared to the jurisdiction as a whole (47.94%, 53.89%, and 52.73% respectively), however, none of these groups reported levels to be considered having a disproportionate greater need.

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**80%-100% of Area Median Income**

<b>Housing Problems</b>	<b>Has one or more of four housing problems</b>	<b>Has none of the four housing problems</b>	<b>Total</b>	<b>% of Population with a Housing Problem</b>
Jurisdiction as a whole	63,755	168,845	232,600	27.41%
White	31,030	90,995	122,025	25.43%
Black / African American	20,550	52,665	73,215	28.07%
Asian	4,090	6,940	11,030	37.08%
American Indian, Alaska Native	39	295	334	11.68%
Pacific Islander	0	19	19	0.00%
Hispanic	6,290	12,795	19,085	32.96%

Data Source: HUD Consolidated Housing Annual Summary (CHAS): 2017-2021

**Table 19 - Disproportionally Greater Need 80 - 100% AMI**

Among households earning between 81-100% of Area Median Income, 27.41% of households reported one or more housing problems. No racial or ethnic group technically had a disproportionately greater need, but Asian households were within 0.33% of meeting the threshold for this categorization (37.08%). Two other racial or ethnic groups (Black/African American and Hispanic) reported higher levels of housing problems compared to the jurisdiction as a whole (28.07% and 32.96% respectively) but neither racial or ethnic group reported levels high enough to be considered having a disproportionate greater need.

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### Discussion

This section examined the pervasiveness of housing problems among six racial and ethnic groups to determine if any group bore a disproportionately greater need by income level. Overall, only one ethnic group (Hispanics) had a disproportionate greater need at 31-50% AMI, however, several groups consistently reported housing problems above the jurisdictional rate for each income level.

Table 20 below provides an overview of the reported level of housing problems for income levels (including above 100% AMI) among these six racial and ethnic groups.

Racial/Ethnic Group	Total Households	Total Households with Housing Problem	% of Race with a Housing Problem
Jurisdiction as a Whole	2,294,270	705,825	30.76%
White	1,258,140	303,005	24.08%
Black/African American	671,685	264,625	39.39%
Asian	129,180	39,925	30.91%
American Indian, Alaska Native	3,754	1,309	34.87%
Pacific Islander	863	285	33.02%
Hispanic	164,850	74,670	45.29%

Data Source: HUD Consolidated Housing Annual Summary (CHAS): 2017-2021

**Table 20 - Housing Problems by Racial/Ethnic Group**

When all income levels are considered, 30.76% of Maryland households report one or more housing problems. Only Hispanic households have a disproportionately greater need with 45.29% of households experiencing some type of housing problem. Two additional racial groups (Black/African American and Asian) report housing problems at a rate higher than the jurisdiction as a whole (39.39% and 30.91% respectively) but below the threshold for a disproportionate greater need. White households represent the largest number of households reporting some type of housing problem.

Ultimately, the information contained in this section indicates that every racial and ethnic group in Maryland faces challenges associated with housing problems.

## NA-20 Disproportionately Greater Need: Severe Housing Problems – 91.305(b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

### Introduction

This section assesses the need of various racial and ethnic groups to determine if there is a disproportionate need for any one group within each income level. A disproportionately greater need exists when the members of a racial or ethnic group at a given income level experience severe housing problems at a greater rate than the income level as a whole (ten percentage points or more). Severe housing problems are defined as substandard housing (lack of complete plumbing or kitchen facilities), severe overcrowding, and severe housing cost burden above 51%.

The table below provides an overview of Maryland’s total households by the six racial and ethnic groups reported in this section in addition to an ‘other’ category which is not captured in the subsequent tables. Please note there is a slight variation in the information in this table compared to the table included in NA-15. This is likely reflective to differences in survey responses for each category and this variation has been maintained to ensure the integrity of the data reported.

Racial/Ethnic Group	Total Households	% of Population
Jurisdiction as a Whole	2,294,275	100%
White	1,258,145	54.83%
Black / African American	671,690	29.28%
Asian	129,180	5.63%
American Indian, Alaska Native	3,765	0.16%
Pacific Islander	863	0.04%
Hispanic	164,850	7.19%
Other	65,782	2.87%

Data Source: HUD Consolidated Housing Annual Summary (CHAS): 2017-2021

**Table 21 - Maryland Racial Breakdown**

Available data for American Indian/Alaska Native and Pacific Islander households is extremely small for the state of Maryland. This limited population size has resulted in skewed and unreliable estimates for each of these populations. In light of this, these populations will not be considered when each income level’s need is discussed in more detail.

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Groups that report housing problems above the state average but below the threshold for a disproportionate need will be highlighted in an orange color in subsequent tables while groups that report housing problems above the threshold for a disproportionate need will be highlighted in a dark red.

**0%-30% of Area Median Income**

<b>Severe Housing Problems</b>	<b>Has one or more of four housing problems</b>	<b>Has none of the four housing problems</b>	<b>Total</b>	<b>% of Population with a Housing Problem</b>
Jurisdiction as a whole	202,875	103,805	306,630	66.15%
White	75,475	48,100	123,575	61.08%
Black / African American	88,115	40,455	128,570	68.53%
Asian	10,270	5,800	16,070	63.91%
American Indian, Alaska Native	560	415	975	57.43%
Pacific Islander	10	50	60	16.67%
Hispanic	21,020	6,175	27,195	77.29%

Data Source: HUD Consolidated Housing Annual Summary (CHAS): 2017-2021

**Table 22 – Severe Housing Problems 0 - 30% AMI**

Among households earning between 0-30% of the Area Median Income, 66.15% of households reported one or more severe housing problems. Hispanic households have a disproportionately greater need in this income level as 77.29% of households report one or more severe housing problems. Extremely low income Black/African American households also report severe housing conditions above the state average (68.53%), but this group does not meet the threshold for disproportionate greater need.

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**30%-50% of Area Median Income**

<b>Severe Housing Problems</b>	<b>Has one or more of four housing problems</b>	<b>Has none of the four housing problems</b>	<b>Total</b>	<b>% of Population with a Housing Problem</b>
Jurisdiction as a whole	85,230	172,510	257,740	33.07%
White	35,140	79,810	114,950	30.57%
Black / African American	30,240	64,130	94,370	32.04%
Asian	5,445	6,820	12,265	44.39%
American Indian, Alaska Native	25	310	335	7.46%
Pacific Islander	95	95	190	50.00%
Hispanic	11,550	16,905	28,455	40.59%

Data Source: HUD Consolidated Housing Annual Summary (CHAS): 2017-2021

**Table 23 – Severe Housing Problems 30 - 50% AMI**

Among households earning between 31-50% of the Area Median Income, 33.07% of households reported one or more severe housing problems. Asian households reported a disproportionately greater need with 44.39% of households experiencing at least one severe housing problem. Hispanic households also reported higher levels of housing problems compared to the jurisdiction as a whole (40.59%) but below the threshold to be considered a disproportionately greater need.

**50%-80% of Area Median Income**

<b>Severe Housing Problems</b>	<b>Has one or more of four housing problems</b>	<b>Has none of the four housing problems</b>	<b>Total</b>	<b>% of Population with a Housing Problem</b>
Judication as a whole	32,105	259,795	291,900	10.99%
White	15,770	135,240	151,010	10.44%
Black / African American	8,985	86,930	95,915	9.37%
Asian	2,360	10,030	12,390	19.05%
American Indian, Alaska Native	115	335	450	25.55%
Pacific Islander	0	135	135	0.00%
Hispanic	4,130	19,965	24,095	17.14%

Data Source: HUD Consolidated Housing Annual Summary (CHAS): 2017-2021

**Table 24 – Severe Housing Problems 50 - 80% AMI**

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Among households earning between 51-80% of the Area Median Income, 10.99% of households reported one or more severe housing problems. No race or ethnicity faced a disproportionately greater need in this income category. Hispanic and Asian households each reported severe housing problems at rates higher than the jurisdiction as a whole (17.14% and 19.05% respectively), but neither group met the threshold to be considered having a disproportionate greater need.

### 80%-100% of Area Median Income

Severe Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Total	% of Population with a Housing Problem
Jurisdiction as a whole	13,340	219,265	232,605	5.74%
White	5,865	116,165	122,030	4.81%
Black / African American	3,740	69,475	73,215	5.11%
Asian	1,260	9,770	11,030	11.42%
American Indian, Alaska Native	0	335	335	0.00%
Pacific Islander	0	19	19	0.00%
Hispanic	2,095	16,985	19,080	10.98%

Data Source: HUD Consolidated Housing Annual Summary (CHAS): 2017-2021

**Table 25 – Severe Housing Problems 80 - 100% AMI**

Among households earning between 81-100% of the Area Median Income, 5.74% of households reported one or more severe housing problems. No race or ethnicity faced a disproportionately greater need in this income category. Hispanic and Asian households each reported severe housing problems at rates higher than the jurisdiction as a whole (10.98% and 11.42% respectively), but neither group met the threshold to be considered having a disproportionate greater need.

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### Discussion

This section examined the prevalence of severe housing problems among six racial and ethnic groups to determine if any group bore a disproportionately greater need by income level. Overall, two groups (Hispanics and Asians) reported a disproportionate greater need at 0-30% AMI and 31-50% AMI respectively, however, several groups (Black/African American, Asian, and Hispanic) consistently reported housing problems above the jurisdictional rate for each income level.

Table 26 below provides an overview of the reported level of severe housing problems for all income levels (including above 100% AMI) among these six racial and ethnic groups.

Racial/Ethnic Group	Total Households	Total Households with Severe Housing Problem	% of Race with a Severe Housing Problem
Jurisdiction as a whole	2,294,275	359,010	15.64%
White	1,258,145	142,650	11.34%
Black / African American	671,690	137,590	20.48%
Asian	129,180	22,530	17.44%
American Indian, Alaska Native	3,765	700	18.59%
Pacific Islander	863	124	14.37%
Hispanic	164,850	43,315	26.28%

Data Source: HUD Consolidated Housing Annual Summary (CHAS): 2017-2021

**Table 26: Housing Problems by Racial/Ethnic Group**

When all income levels are considered, 15.64% of Maryland households report one or more severe housing problems. Only Hispanic households have a disproportionately greater need with 26.28% of households experiencing some type of housing problem. Two additional racial groups (Black/African American and Asian) report severe housing problems at a rate higher than the jurisdiction as a whole (20.48% and 17.44% respectively) but below the threshold for a disproportionate greater need. White households again represent the largest number of households reporting some type of severe housing problem.

**NA-25 Disproportionately Greater Need: Housing Cost Burdens – 91.305 (b)(2)**

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

**Introduction**

This section examines housing cost burden levels for Maryland and six racial or ethnic groups to determine if there is a disproportionate need for any one group. A disproportionately greater need exists when the members of a racial or ethnic group experience housing cost burden at a greater rate (ten percentage points or more) than the jurisdiction as a whole. The data in this section expands on the information presented in Tables 9 and 10 of section NA-10 and provides the information with a focus on the impact of housing cost burden on different racial or ethnic groups within Maryland.

Available data for American Indian/Alaska Native and Pacific Islander households is extremely small for the state of Maryland. This limited population size has resulted in skewed and unreliable estimates for each of these populations. In light of this, these populations will not be considered when each income level’s need is discussed in more detail.

**Housing Cost Burden**

Housing Cost Burden	<=30%	30-50%	>50%	No / negative income (not computed)
Jurisdiction as a whole	1,604,455	360,750	304,655	24,420
White	955,885	163,335	128,245	10,675
Black / African American	411,145	131,655	119,890	9,000
Asian	91,715	19,080	16,570	1,810
American Indian, Alaska Native	2,335	610	685	135
Pacific Islander	585	165	110	0
Hispanic	98,710	35,535	28,835	1,775

Data Source: HUD Consolidated Housing Annual Summary (CHAS): 2017-2021

**Table 27 – Greater Need: Housing Cost Burdens AMI**

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### Discussion

Housing cost burden is the most common housing problem among Maryland households. 29% of households across the state experience some degree of cost burden. The majority of these households (15.72%) report a cost burden between 30-50% while the remaining households (13.28%) report severe cost burden.

The only group that faces a disproportionate greater need in respect to housing cost burden is Hispanic households. When both levels of cost burden are considered, 39.05% of Hispanic households report this housing problem, 10.05% higher than the jurisdictional rate (only 0.05% above the threshold for a disproportionate greater need). However, the group does not face a disproportionate greater need among any individual income level.

Black/African American households also experience an elevated rate of housing cost burden among the races examined in this section. Although the group does not qualify as having a disproportionate greater need, its reported rates of housing cost burden exceed the total for the jurisdiction for every category of cost burden.

**NA-30 Disproportionately Greater Need: Discussion – 91.305 (b)(2)**

**Are there any Income categories in which a racial or ethnic group has disproportionately greater need than the needs of that income category as a whole?**

Very low income (30-50% AMI) Hispanic households experience a disproportionately greater need in respect to housing problems. Extremely low income (0-30%) Hispanic households also experience a disproportionately greater need in respect to severe housing problems.

Asian households earning between 80-100% of the Area Median Income came within 0.33% of a disproportionately greater need in respect to housing problems, however, the group did not officially meet the threshold for this classification.

**If they have needs not identified above, what are those needs?**

No additional needs were identified for this group beyond those discussed in the other sections of the Needs Assessment and Market Analysis.

**Are any of those racial or ethnic groups located in specific areas or neighborhoods in your community?**

The majority of Maryland's Hispanic population (79.7% or 590,594 individuals) reside in either the Washington D.C. suburban counties of Prince George's and Montgomery (57.2%) or the Baltimore metropolitan region of Anne Arundel and Baltimore counties and Baltimore City (22.5%).

These five jurisdictions are home to thirty seven census tracts that qualify as a racially or ethnically concentrated area of poverty (R/ECAPs). 3.7% of Maryland's Hispanic population live in one of these designated census tracts.

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**NA-35 Public Housing**

**Introduction**

Information on public housing is not required for state grantees in the Consolidated Plan. However, while the below data is not a requirement, state grantees still must ensure all provisions at 24 CFR 91.305 are met in its Consolidated Plan.

Data on public housing and resident characteristics is very limited, particularly on the demographic information of current public housing residents. The information included in the following tables and narratives is derived from both local public housing authority records and a variety of HUD databases such as the Public Housing Data Dashboard, Housing Choice Voucher Data Dashboard, and the Picture of Subsidized Households.

**Totals in Use**

# of Unit Vouchers in Use	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers in use	N/A	176	10,988	78,286	25,854	52,432	1,799	1,082	1,422

**\*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition**

Data Source: HUD Housing Choice Voucher (HCV) Data Dashboard

**Table 28 - Public Housing by Program Type**

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**Characteristics of Residents**

Characteristics of Residents	Program Type							
	Certificate	Mod-Rehab	Public Housing	Vouchers				
				Total	Project - based	Tenant - based	Special Purpose Voucher	
							Veterans Affairs Supportive Housing	Family Unification Program
# Homeless at admission	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
# of Elderly Program Participants (>62)	N/A	57	2,857	29,426	14,220	15,206	N/A	N/A
# of Disabled Families	N/A	53	2,747	19,313	6,205	13,108	N/A	N/A
# of Families requesting accessibility features	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
# of HIV/AIDS program participants	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
# of DV victims	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Data Source: HUD Picture of Subsidized Housing

**Table 29 – Characteristics of Public Housing Residents by Program Type**

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Race of Residents

Race	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
White	N/A	60	1,868	14,085	5,171	8,914	N/A	N/A	N/A
Black/African American	N/A	106	8,791	57,961	17,064	40,897	N/A	N/A	N/A
Asian	N/A	4	110	2,077	1,552	525	N/A	N/A	N/A
American Indian/Alaska Native	N/A	2	0	0	0	0	N/A	N/A	N/A
Pacific Islander	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other	N/A	4	219	4,163	2,067	2,096	N/A	N/A	N/A

\*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Data Source: HUD Picture of Subsidized Housing

Table 30 – Race of Public Housing Residents by Program Type

Ethnicity of Residents

Ethnicity	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
Hispanic	N/A	7	220	2,874	776	2,098	N/A	N/A	N/A
Not Hispanic	N/A	169	10,788	75,412	25,078	50,334	N/A	N/A	N/A

\*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Data Source: HUD Picture of Subsidized Housing

Table 31 – Ethnicity of Public Housing Residents by Program Type

**Section 504 Needs Assessment: Describe the needs of public housing tenants and applicants on the waiting list for accessible units:**

Detailed data is currently not available for this population of public housing tenants or households on a waiting list.

**What are the number and type of families on the waiting lists for public housing and section 8 tenant-based rental assistance? Based on the information above, and any other information available to the jurisdiction, what are the most immediate needs of residents of public housing and Housing Choice voucher holders?**

Accurate data on total households seeking public housing is difficult to obtain due to the ability of a household to join multiple waiting lists simultaneously. As a result, data on public housing and/or Housing Choice Voucher wait lists are often inflated and likely over-estimate the potential need in the region.

DHCD does not maintain a comprehensive record of either public housing or Housing Choice Voucher wait lists in each jurisdiction. (DHCD does serve as a HUD-designated Contract Administrator for Maryland and oversees the Housing Choice Voucher and Project Based Voucher programs/wait lists for Caroline, Dorchester, Kent, Somerset, Talbot, Wicomico, and Worcester Counties and the City of Elkton). However, in preparation of this report, outreach was made to each of the state's 22 housing authorities to obtain data on these wait lists. At the time of submission of this report, all 22 housing authorities had provided the following cumulative information on the wait lists:

- Public Housing Wait List: 52,550
- Housing Choice Voucher Wait List: 135,574
- Other Wait Lists (RAD, Mainstream Vouchers, etc.): 56,537

These wait list totals continue to highlight the immediate need among low income households for affordable and accessible housing.

**How do these needs compare to the housing needs of the population at large**

Eligible households for either public housing or the Housing Choice Voucher program are typically required to earn below 50% of the Area Median Income for the county in which the family chooses to reside. By law, a Public Housing Authority must provide at least 75% of its voucher allocation to households whose income do not exceed 30% of the Area Median Income.

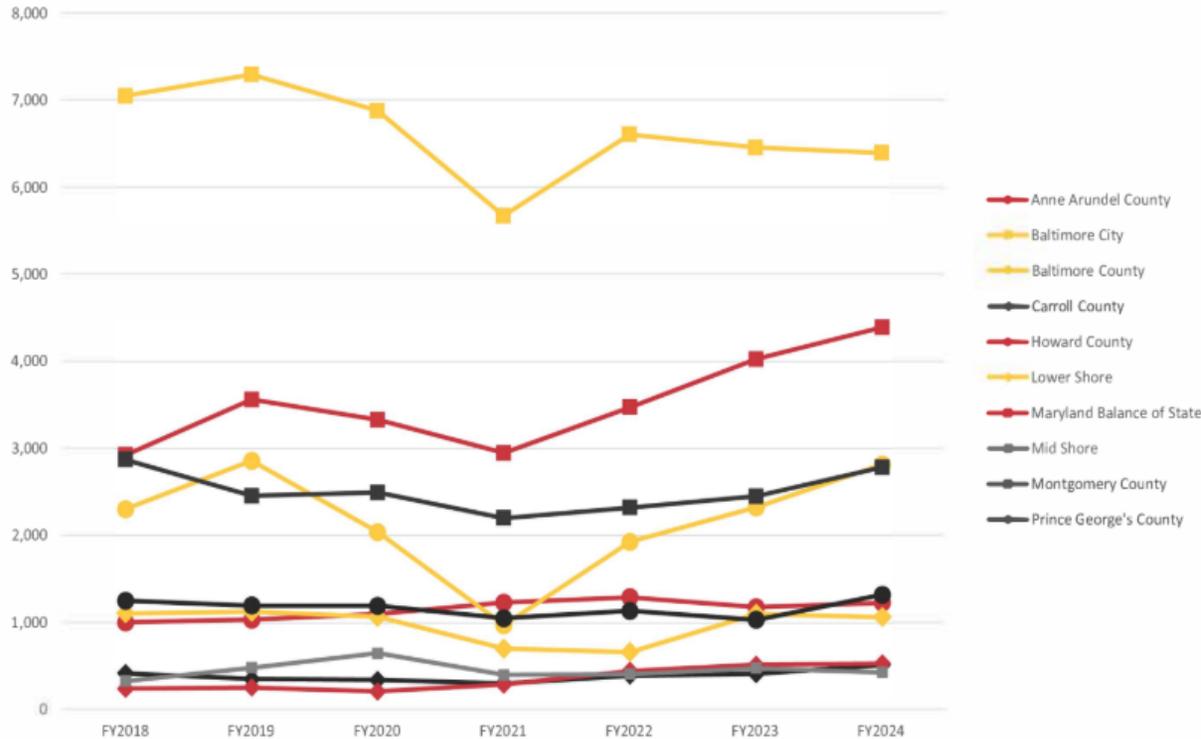
As will be discussed in more detail in the Market Analysis section of this report, there is a significant shortage of affordable rental housing units for households earning below 30% of the Area Median Income. As a result, these households are often dependent on the availability of these subsidized housing units and vouchers or the household is more likely to incur some level of housing cost burden.

**NA-40 Homeless Needs Assessment – 91.305(c)**

**Introduction**

The data in the following sections are primarily drawn from the 2024 Point-in-Time (PIT) count and the Maryland Interagency Council on Homelessness Annual Report. These reports compile data from each of Maryland’s Continuums of Care (CoC). The PIT report specifically reflects data on persons experiencing homelessness on a single night in January 2024.

**Annual People Experiencing Homelessness in Maryland, SFY2018-2024**



**Chart 11 - Annual People Experiencing Homelessness in Maryland, SFY 2018-2024**

In general, homelessness rates in Maryland have varied across the state’s different regions (as shown in Chart 11 to the left). Areas such as Baltimore City and the Mid-Shore have seen decreasing rates while areas such as Anne Arundel County and the Lower Shore have seen rates increase since 2021.

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**Homeless Needs Assessment**

Population	Estimate the # of persons experiencing homelessness on a given night		Estimate the # experiencing homelessness each year	Estimate the # becoming homeless each year	Estimate the # exiting homelessness each year	Estimate the # of days persons experience homelessness
	Unsheltered	Sheltered				
Persons in Households with Adult(s) and Child(ren)	42	1,901	6,983	3,816	2,758	134
Persons in Households with Only Children	0	8	187	102	74	138
Persons in Households with Only Adults	994	3,124	14,096	7,704	5,568	116
Chronically Homeless Individuals	259	530	2,423	N/A	N/A	N/A
Chronically Homeless Families	10	163	606	N/A	N/A	N/A
Veterans	38	274	974	532	385	149
Unaccompanied Child	34	220	1,625	888	642	109
Persons with HIV	11	53	215	118	85	116

Data Source: 2024 Point-in-Time Count, SFY 2024 Statewide HMIS data, Maryland Balance of State Stella P Data

**Table 32 – Homeless Needs Assessment**

Charts 12 and 13 below highlight the changes in annual PIT counts throughout the last ten years. Although rates are slowly rising, the charts demonstrate that rates of homeless have overall decreased from their highest rates in 2015.

### Maryland Point-in-Time Count Data, 2015-2024

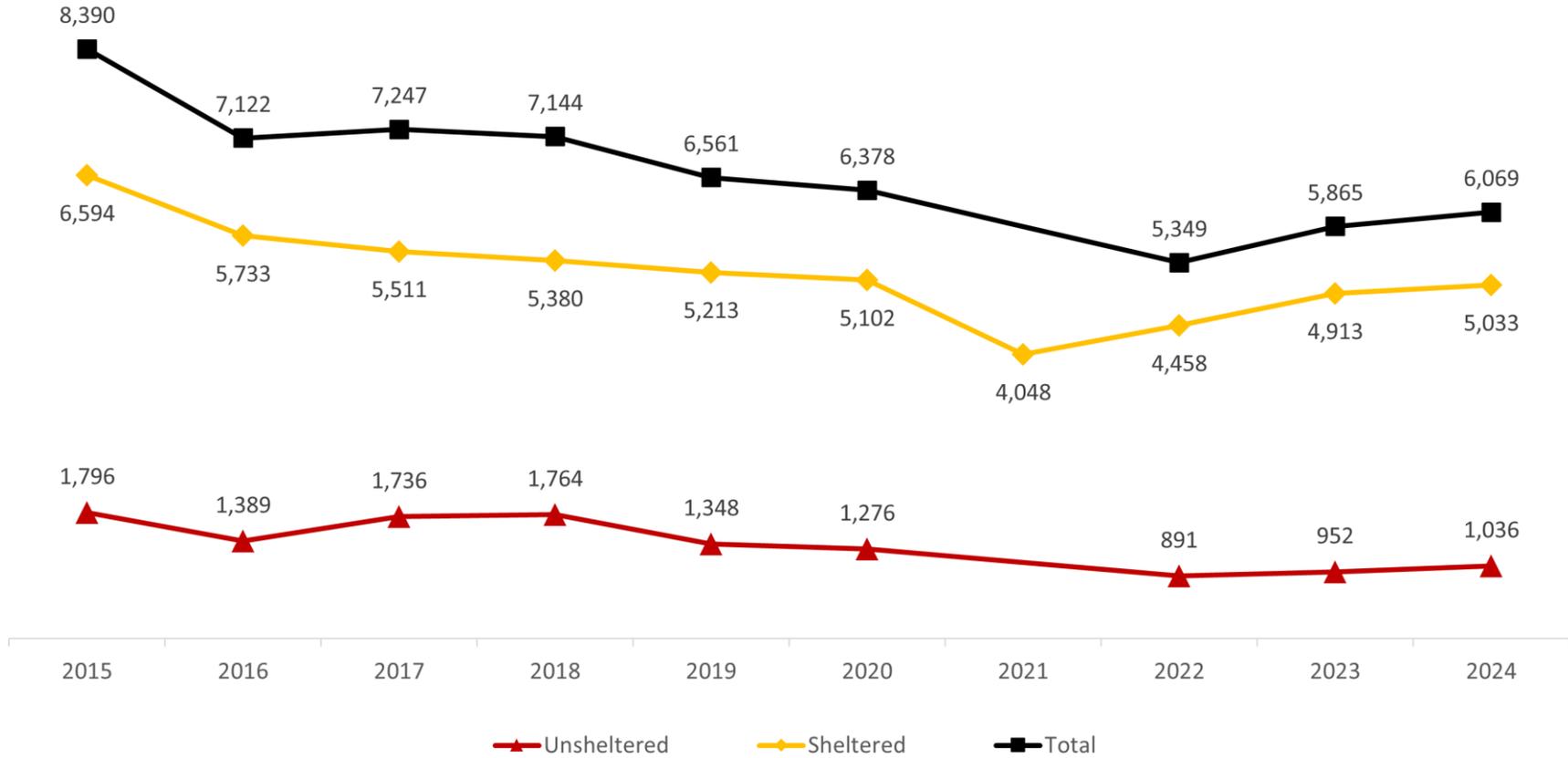


Chart 12 - Maryland Point-in-Time Count Data, 2015-2024

Point-in-Time Count Homeless Subpopulation Data, 2015-2024

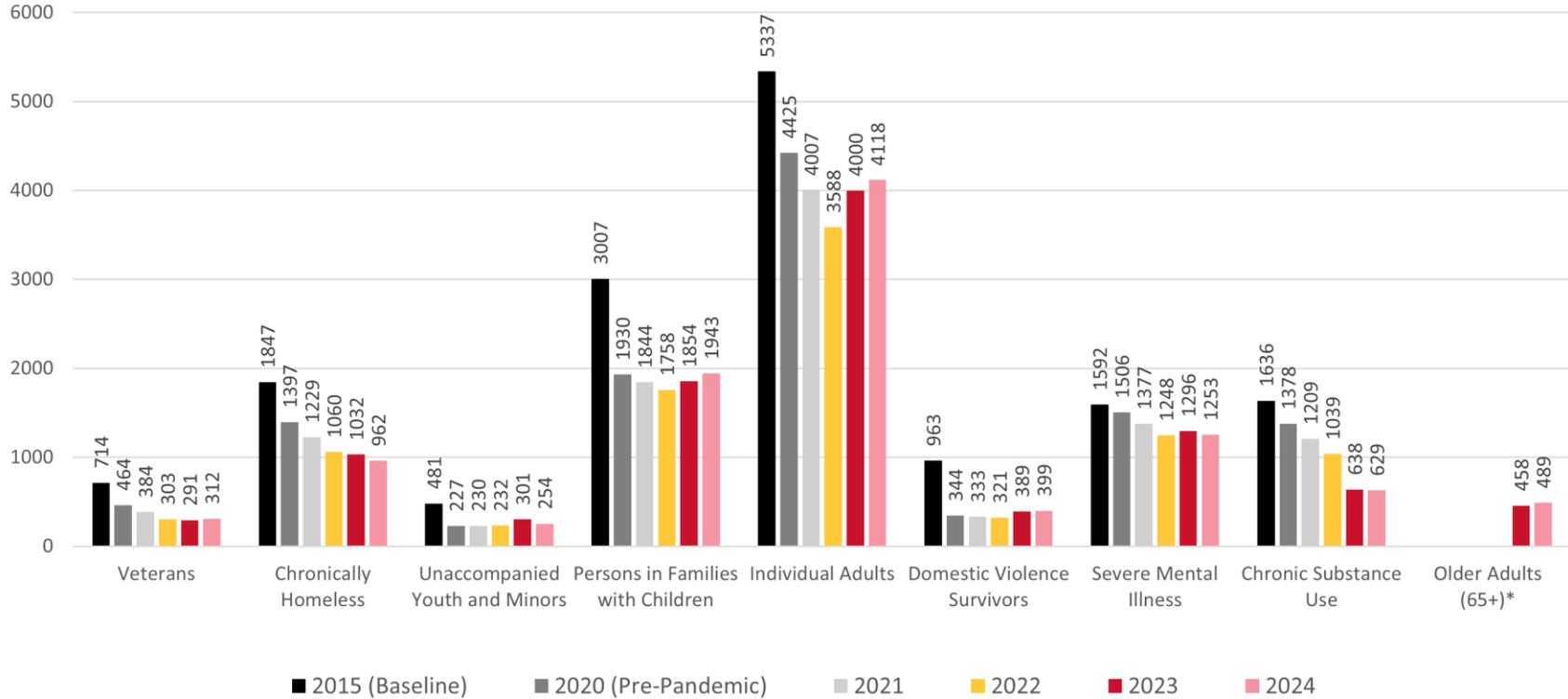


Chart 13 - Maryland Point-in-Time Count Homeless Subpopulations Data, 2015-2024

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**Rural Homeless Needs Assessment**

Population	Estimate the # of Persons Experiencing Homelessness on a Given Night		Estimate the # Experiencing Homelessness Each Year	Estimate the # Becoming Homeless Each Year	Estimate the # Exiting Homelessness Each Year	Estimate the # of Days Persons Experience Homelessness
	Sheltered	Unsheltered				
Persons in Households with Adult(s) and Child(ren)	24	582	2,525	1,602	1,817	134
Persons in Households with Only Children	0	5	70	44	30	138
Persons in Households with Only Adults	425	820	3,773	2,394	1,245	116
Chronically Homeless Individuals	97	162	598	0	0	0
Chronically Homeless Families	3	46	149	0	0	0
Veterans	15	89	301	191	172	149
Unaccompanied Youth	11	54	499	317	175	109
Persons with HIV	1	3	13	8	7	116

Data Source: 2024 Point-in-Time Count

Data Source Comments: \*Estimates for homelessness on a given night are derived from statewide data collected during the 2024 PIT Count\*Estimates for the number experiencing homelessness each year are derived from SFY2024 Statewide HMIS Data\*Estimates for becoming homeless, exits to housing, and the number of days experiencing homelessness are extrapolated using HUD 2023 System Performance Measures Data, Maryland Balance of State Stella P Data and SFY 2024 Statewide HMIS Data\*Some data for chronically homeless individuals and families metrics is not available due to HMIS reporting limitations

**Table 33 - Homeless Needs Assessment**

DHCD designates 18 counties as “rural”: Allegany, Calvert, Caroline, Carroll, Cecil, Charles, Dorchester, Frederick, Garrett, Harford, Kent, Queen Anne’s, Somerset, St. Mary’s, Talbot, Washington, Wicomico, and Worcester.

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### **For persons in rural areas who are homeless or at risk of homelessness, describe the nature and extent of unsheltered and sheltered homelessness with the jurisdiction:**

The 2024 PIT count indicated that there are 1,726 persons who experienced homelessness in a rural area on a given night in 2024. This represents 28% of all of Maryland's homeless population. Among these individuals:

- 380 persons were unsheltered, living on the streets, encampments or other places not meant for human habitation
- 1,346 persons were sheltered or living in an emergency or transitional shelter

### **If data is not available for the categories "number of persons becoming and exiting homelessness each year," and "number of days that persons experience homelessness," describe these categories for each homeless population type (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth):**

Due to system reporting limitations in HMIS, data is not available in a consistent manner across all CoCs for the 'number of days homeless by subpopulation - chronically homeless households, youth, veterans, and persons with HIV.' Estimates for this column were developed using Maryland Balance of State CoC Stella P metrics applied to statewide persons experiencing homelessness.

While data is not available for days homeless, data on the number of persons experiencing homelessness for these categories is available. In State Fiscal Year 2024 (Federal Fiscal Year 2023), 3,029 individuals experienced chronic homelessness, a 3% decrease from the previous year. 1,625 youth under the age of 25 experienced homelessness, a 16% increase from the previous year. 974 veterans experienced homelessness, a 3% decrease from the previous year. Individuals with at least one identified disability account for 9,883 of the reported homeless population, an 18% increase from State Fiscal Year 2018. 2,499 homeless Marylanders report a prior history with domestic violence with 566 of those reporting experiences with domestic violence in the last three months.

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Nature and Extent of Homelessness

Race	Sheltered	Unsheltered (Optional)
White	1,198	486
Black or African American	3,057	401
Asian	68	15
American Indian or Alaska Native	30	10
Pacific Islander	11	1
Ethnicity	Sheltered	Unsheltered (Optional)
Hispanic	536	91
Not Hispanic	4,497	945

Data Source: 2024 HUD Continuum of Care Homeless Assistance Program Homeless Populations and Subpopulations

Table 34 – Nature and Extent of Homelessness

Race for Homeless Residents vs. Total Maryland Population, 2024

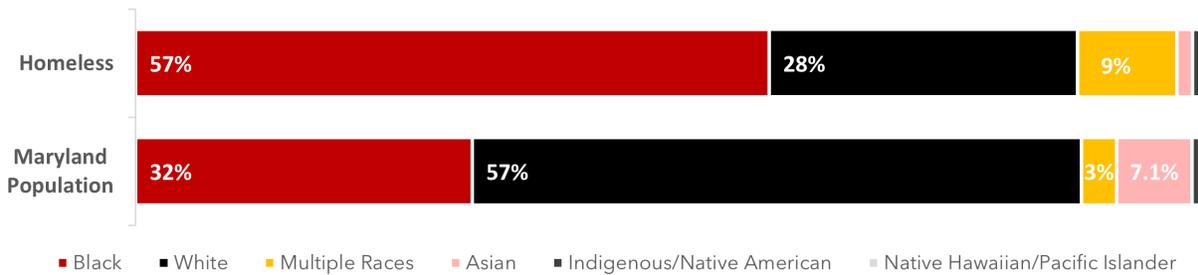


Chart 14 – Race for Homeless Residents vs. Total Maryland Population (2024)

**Estimate the number and type of families in need of housing assistance for families with children and the families of veterans.**

The 2024 Point-in-Time Count highlighted that on any given night 4,586 households and 6,069 persons experienced homelessness. Among these households:

- 602 households included at least one adult and one child
- 7 households were unaccompanied minors under the age of 18
- 254 persons were unaccompanied youth under 25
- 312 households contained veterans
- 56 households with at least one adult and one child were chronically homeless

(Note: households composed only of unaccompanied minors under the age of 18 might include a one-child household, adolescent parents and their children, adolescent siblings or other configurations composed only of individuals under the age of 18.)

**Describe the Nature and Extent of Homelessness by Racial and Ethnic Group.**

Among the 6,069 persons experiencing homelessness in January 2024:

- 1,684 persons identified as White (489 persons were unsheltered)
- 3,458 persons identified as Black, African American, or African (415 persons were unsheltered)
- 243 persons identified as Hispanic or Latino (25 persons were unsheltered)
- 83 persons identified as Asian (15 persons were unsheltered)
- 543 persons identified as multiple races (97 persons were unsheltered)

**Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.**

Among the 4,586 households and 6,069 persons experiencing homelessness in January 2024:

- 942 households (1,036 persons) were unsheltered
- 2,762 households (3,925 persons) were placed in an emergency shelter
- 883 households (1,108 persons) were placed in transitional housing such as Safe Haven Programs

In general, those unsheltered households/persons included:

- 184 households with at least one adult and one child
- 322 households with a head of household under the age of 24
- 322 households that included persons aged 64 or older
- 4,309 persons who identified as male and 1,760 persons who identified as female
- 1,578 persons who were chronically homeless
- 1,760 persons who were severely mentally ill
- 243 persons who were veterans

**NA-45 Non-Homeless Special Needs Assessment – 91.305 (b,d)**

**Introduction**

This section examines the needs of several special needs populations in Maryland. The primary focus of this section will be persons living with HIV/AIDS, however, consideration is also given to other persons requiring supportive housing such as the elderly, frail elderly, persons with mental, physical, and/or developmental disabilities, persons with alcohol or other drug addiction, and victims of domestic violence, dating violence, sexual assault, and stalking.

**HOPWA**

<b>Current HOPWA Formula Use:</b>	<b>Number</b>
Cumulative cases of AIDS reported	200
Area incidence of AIDS	606
Rate per population	28%
Number of new cases prior year (3 years of data)	2,229
Rate per population (3 years of data)	12.3%
<b>Current HIV Surveillance Data:</b>	<b>Number</b>
Number of Persons living with HIV (PLWH)	31,956
Area Prevalence (PLWH per population)	3
Number of new HIV cases reported last year	714

Data Source: CDC HIV Surveillance

**Table 35 – HOPWA Data**

**HIV Housing Need**

<b>Type of HOPWA Assistance</b>	<b>Estimates of Unmet Need</b>
Tenant based rental assistance	143
Short-term Rent, Mortgage, and Utility	26
Facility Based Housing (Permanent, short-term or transitional)	0

Data Source: HOPWA CAPER and HOPWA Beneficiary Verification Worksheet

**Table 36 – HIV Housing Need**

**Describe the characteristics of special needs populations in your community:**

**Elderly**

An elderly person is considered any individual over the age of 62. Maryland is home to 1,224,616 persons who can be classified as elderly, representing almost 20% of the state’s total population. As noted in section NA-10, this population has been steadily increasing over time with an additional 114,235 elderly households reported in the state since the 2020 Consolidated Plan.

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### **Frail Elderly**

A frail elderly person is classified as an individual who is unable to perform at least three activities of daily living including eating, dressing, bathing, grooming, and/or home management. Limited data is available for this specific elderly category and as a result this report will instead consider any person over the age of 75 to be within the frail elderly classification.

There are 403,856 persons in Maryland that are over the age of 75 which represents 6.55% of the total population in the state. The majority of these persons (331,257) are between 75 to 84 years of age and, in general, this population tends to include more female persons.

Frail elderly individuals are more likely to be living in a group setting such as an assisted living facility or nursing home.

### **Persons with Mental, Physical, or Development Disability**

A third of households in Maryland (34.4% or 926,135 households) include a person with some form of disability such as a hearing or vision impairment, ambulatory limitation, cognitive limitation, or self-care/independent living limitation. The most common disability for Maryland households is an ambulatory limitation (i.e. limitations on walking or mobility). Both renter and homeowner households are equally likely to have a household member with some form of disability (24.3% and 22.2% respectively), however, with the exception of hearing or vision impairment, renter households report household members with disabilities at a slightly higher rate.

Individuals suffering from mental illness are not captured in the above categories. Although information is limited on this topic, 1,650 individuals received in-patient assistance through a state psychiatric institution from July 2022 to June 2023. The most common age group to receive care was individuals between 25 to 44. The State Mental Health Authority provided additional services to 260,133 individuals during this period.

### **Persons with Alcohol or Other Drug Addiction**

Substance use disorder refers to the abuse of illicit drugs, prescription drugs, or alcohol. In 2023, Maryland decriminalized the use of recreational marijuana for individuals over the age of 21 or older. Maryland similarly decriminalized the use of medical marijuana in 2012. This report will not consider the use of this substance in this section.

16.9% of Maryland residents over the age of 12 report having a substance use addiction while 10.4% of the population reports having an alcohol use disorder. The most recent data on individuals seeking substance use treatment indicate that 52,759 Marylanders were enrolled in either a public or private treatment on any single day. In 2023, the state saw 2,478 overdose deaths from various drugs or substances.

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### **Victims of Domestic Violence, Dating Violence, Sexual Assault, and Stalking**

Information on individuals experiencing domestic violence, dating violence, sexual assault, or stalking is frequently unavailable due to confidential elements of these crimes. Victims also often do not report these crimes to law enforcement or other agencies for a variety of reasons.

In 2024, 24,738 domestic violence protective order hearings occurred in Maryland. This figure is inclusive of hearings where orders were granted, dismissed or denied and it likely includes some level of duplication. As reported in section NA-10, on a single night in 2024, 399 homeless individuals indicated they were the victim of domestic violence.

### **Persons with HIV/AIDS**

In Maryland, 31,956 people ages 13 and older are living with HIV/AIDS. In 2023, 714 people were newly diagnosed with HIV/AIDS, however, it is also estimated that roughly 2,500 people with HIV/AIDS in Maryland remain undiagnosed. Maryland ranks 14th in the United States in adult/adolescent HIV/AIDS diagnosis rates.

Individuals diagnosed with HIV/AIDS often require special supportive services in the form of case management and healthcare in addition to housing needs.

As a recipient of the HOPWA grant program, Maryland currently provides services to persons with HIV/AIDS in the state's rural counties (Allegany, Dorchester, Garrett, St. Mary's, Somerset, Washington, Wicomico, and Worcester) as well as the urban counties of Frederick and Montgomery. Due to formula changes for the HOPWA program, the rural program as funded by HOPWA will be discontinued in Federal Fiscal Year 2026.

### **What are the housing and supportive service needs of these populations and how are these needs determined?**

The populations described in the previous question often require specialized housing or care to equitably experience the same standard of living as other Marylanders.

Persons with disabilities and the elderly often require special housing conditions to maintain the functionality of properties. This may include ambulatory accessibility accommodations such as ramps, elevators, no-step entry, or unit modifications such as grab bars, tub cut-outs, or lowered countertops. Individuals with visual or hearing impairments may require other accommodations such as textured flooring, bright lighting, handrails, and various communication aids. Elderly individuals are also more susceptible to fall risks and this group may benefit from additional safety accommodations including single-story housing.

Individuals living with substance use disorders frequently deal with housing instability issues. Those who have been formally charged with drug-related offenses may encounter barriers in obtaining appropriate housing and, as a result, this population has an increased likelihood of experiencing chronic homelessness which can exacerbate the severity of substance abuse. Individuals experiencing a

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substance use disorder may benefit from targeted housing or community development programs that provide both housing and supportive services (including group homes and recovery services).

Victims of domestic violence typically seek immediate emergency shelters or rapid re-housing to address current living conditions. This group may need to seek various public services to address other needs beyond housing.

Persons living with HIV/AIDS also experience higher instances of housing instability. Housing programs that include supportive services (such as access to medical care) allow this population to better integrate into their communities and improve future health outcomes.

Additional information on the specific housing needs for each of the populations was captured in the public needs survey completed as a part of the Consolidated Plan. The survey allowed participants to indicate whether they belonged to any of these specific groups and 170 responses were received by persons identifying as such.

### **Discuss the size and characteristics of the population with HIV/AIDS and their families within the Eligible Metropolitan Statistical Area:**

Maryland has two Eligible Metropolitan Statistical Areas (EMSA): Frederick/Montgomery EMSA and the Rural EMSA. The Frederick/Montgomery County EMSA is composed exclusively of Frederick and Montgomery Counties. The Rural EMSA includes the eight rural counties of Allegany, Dorchester, Garrett, St. Mary's, Somerset, Washington, Wicomico, and Worcester.

The Frederick/Montgomery County EMSA includes 4,279 persons living with HIV/AIDS. It is estimated that there is an additional 567 persons in that EMSA with HIV/AIDS who have yet to be formally diagnosed. Most of these individuals (3,781) live in Montgomery County. 62.14% of persons living with HIV/AIDS were assigned male at birth while 37.86% were assigned female at birth. The majority of individuals (60.41%) identify as Black with 15.28% identifying as White.

The Rural EMSA includes 1,308 persons living with HIV/AIDS. Washington County has the largest number of persons living with HIV/AIDS with 393 persons followed by Wicomico County with 264 persons. 71.25% of persons living with HIV/AIDS were assigned male at birth while 28.75% were assigned female at birth. The majority of individuals (52.22%) identify as Black with 34.48% identifying as White.

**If the PJ will establish a preference for a HOME TBRA activity for persons with a specific category of disabilities (e.g., persons with HIV/AIDS or chronic mental illness), describe their unmet need for housing and services needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2) (ii))**

The State of Maryland will not establish any preferences for its HOME TBRA activity.

## **NA-50 Non-Housing Community Development Needs - 91.315 (f)**

### **Describe the jurisdiction's need for public facilities:**

The public needs survey asked respondents to indicate their community's level of perceived need for seven different types of public facilities (job training centers, senior centers, childcare centers, healthcare centers, youth centers, community centers, and recreational facilities). Respondents were able to rank each of the above public facilities as not needed, somewhat needed, neutral, very needed, or a priority need.

The top three ranked public facilities by perceived need were childcare centers, youth centers, and recreational facilities with 69.3%, 68.7%, and 63.3% of respondents respectively indicating these are either very needed or a priority need. Based on respondent feedback, the lowest perceived public facility priorities were job training centers (52%) and senior centers (55%).

Respondents also had the ability to share other types of public facilities that were perceived needs in their communities. Many responses mirrored the categories discussed above, however, additional types of public facilities mentioned in comments include public libraries, food banks, public transportation, and public parks.

### **How were these needs determined?**

The consultation process detailed in PR-10 informed the foundation of the non-housing community development needs throughout the state. This stakeholder input included feedback from public hearings, responses to the public needs survey, and outreach to non-entitlement CDBG Units of General Local Government. A full copy of the public needs survey has been included as an attachment to this report.

### **Describe the jurisdiction's need for public improvements:**

The public needs survey asked respondents to indicate their community's level of perceived need for nine different types of public infrastructure improvements (streets and roads, waste collection, water and sewer systems, sidewalks and pedestrian crosswalks, accessibility features, removal of vacant or blighted properties, construction of youth/senior/community centers, public parking facilities, and public parks/playgrounds/green spaces). Respondents were able to rank each of the above infrastructure improvements as not needed, somewhat needed, neutral, very needed, or priority need.

The top three ranked infrastructure improvements by perceived need were senior, youth, and community centers, streets and roads, and sidewalk and other pedestrian crosswalks with 61%, 55.7%, and 54% of respondents respectively indicating these as either very needed or a priority need. Based on respondent feedback, the lowest perceived priority infrastructure improvements were waste collection improvements (31.3%) and public parking facilities (33.7%).

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Respondents also had the ability to share other types of public improvements that were perceived needs in their communities. Many responses mirrored the categories discussed above, however, additional types of public infrastructure improvements mentioned in comments include climate change protections, public transportation, broadband infrastructure, public gathering spaces, biking infrastructure, stormwater improvements, alternative energy sources, and gas line improvements.

### **How were these needs determined?**

The consultation process detailed in PR-10 informed the foundation of the non-housing community development needs throughout the state. This stakeholder input included feedback from public hearings, responses to the public needs survey, and outreach to non-entitlement CDBG Units of General Local Government. A full copy of the public needs survey has been included as an attachment to this report.

### **Describe the jurisdiction's need for public services:**

The public needs survey asked respondents to indicate their community's level of perceived need for eleven public services (senior services, youth services, childcare services, substance abuse and addiction recovery services, employment training services, services for persons with special needs, health services, HIV/AIDS healthcare services, mental health services, renter and landlord education services, and fair housing advocacy programs).

The top three ranked public services by perceived need were childcare services, mental health services, and youth services with 76%, 74%, and 72.3% of respondents respectively indicating these as either very needed or a priority need. Based on respondent feedback, the lowest perceived public services were HIV/AIDS healthcare and supportive services (36.7%) and services and facilities for persons with special needs (61.7%). It is also noteworthy to mention in regard to HIV/AIDS healthcare and supportive services that 41% of respondents did indicate a response of neutral/don't know which is the highest usage of that response type.

Respondents also had the ability to share other types of public services that were perceived needs in their communities. Many responses mirrored the categories discussed above, however, additional types of public services mentioned in comments include domestic violence survivor support, LGBTQ+ support services, renter advocacy support, and small business development/support.

### **How were these needs determined?**

The consultation process detailed in PR-10 informed the foundation of the non-housing community development needs throughout the state. This stakeholder input included feedback from public hearings, responses to the public needs survey, and outreach to non-entitlement CDBG Units of General Local Government. A full copy of the public needs survey has been included as an attachment to this report.

## MA-05 Overview

### Housing Market Analysis Overview:

The Market Analysis portion of the Consolidated Plan provides quantitative and qualitative information on the state of housing in Maryland. Its various sections explore topics such as variety of housing property types, cost of housing, and condition of housing.

The information presented in the subsequent sections utilizes the most complete and accurate data sets available for the required fields. In many instances these data sets reflect the conditions in either 2021 or 2022. Whenever possible, supplemental information on more recent conditions has been provided.

The different sections of the Market Analysis also primarily distinguish households by various income levels. In general, these income categories include extremely low (households earning below 30% of the area median income), very low (households earning between 30-50% of the area median income), and low income (households earning between 50-80% of the area median income), however, low income can also be used interchangeably to describe all households earning below 80% of the area median income. These income thresholds are updated on an annual basis by HUD's Office of Policy Development and Research and information on a specific year's income limits can be found on the [HUD exchange](#).

## MA-10 Number of Housing Units – 91.310(a)

### Introduction

This section of the Market Analysis examines the specific types of residential properties available for residents in Maryland. Its various components explore the types of properties throughout the state as well as the availability of affordable housing inventory.

### All Residential Properties by Number of Units

Property Type	Number	%
1-unit detached structure	1,303,084	51.5%
1-unit, attached structure	533,941	21.1%
2-4 units	91,714	3.6%
5-19 units	318,097	12.6%
20 or more units	250,964	9.9%
Mobile Home, boat, RV, van, etc.	33,275	1.3%
<b>Total</b>	<b>2,531,075</b>	<b>100%</b>

Data Source: 2018-2022 American Community Survey Five-Year Estimates

**Table 37 – Residential Properties by Unit Number**

Maryland is home to 2,531,075 residential structures. This is an increase of 93,335 structures from the previous Consolidated Plan. Among these properties, 1,564,056 are occupied by homeowners while 754,068 are occupied by renters.

The majority of these properties (72%) are single unit structures, either detached or attached. In the past five years, single unit structures increased by 3.4% or 61,353 properties. The only other noteworthy increase in residential properties is associated with structures with 20 or more units. This type of residential property increased by 16.6% or 35,760 properties over the last five years.

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**Unit Size by Tenure**

Unit Type	Owners		Renters	
	Number	%	Number	%
No bedroom	4,122	0.3%	39,472	5.2%
1 bedroom	23,224	1.5%	205,856	27.3%
2-3 bedrooms	866,632	55.4%	448,619	59.5%
4 or more bedrooms	670,078	42.8%	60,121	8.0%
<b>Total</b>	<b>1,564,056</b>	<b>100%</b>	<b>754,068</b>	<b>100%</b>

Data Source: 2018-2022 American Community Survey Five-Year Estimates

**Table 38 – Unit Size by Tenure**

Table 38 provides a breakdown of the number of bedrooms per property for both homeowners and renters. Most homeowners and renters reside in properties with 2-3 bedrooms. In general, the composition of bedroom totals remained consistent between the previous Consolidated Plan. The only exception to this is the increase in properties with 4 or more bedrooms among homeowners. Properties with more than 4 bedrooms increased by 10.4% or 63,276 properties. This would seemingly indicate that the increase in new housing stock as shown in Table 38 reflects the addition of potentially larger property structures.

**Describe the number and targeting (income level/type of family served) of units assisted with federal, state, and local programs.**

There are a total of 102,715 HUD subsidized housing units in [Maryland](#). These units receive either Low Income Housing Tax Credits (LIHTC), Section 8/Housing Choice Vouchers, HOME Investment Partnership funds, or other public housing funds. An additional 5,375 units receive United States Department of Agriculture (USDA) federal funds.

Many of these federal programs are complemented with competitive State level programs such as the Rental Housing Works program which provides subordinate gap financing to develop multifamily structures and the UPLIFT program which provides incentives for development in historically redlined communities and low-income census tracts.

Any housing units provided by DHCD using either federal or state funding is targeted to benefit residents earning below 80% of the Area Median Income (AMI) with an emphasis on unit development for households earning below 30% AMI. Many of these programs also assist special populations that are frequently at a disadvantage in the existing housing market such as the disabled, homeless, and individuals living with HIV/AIDS.

**Provide an assessment of units expected to be lost from the affordable housing inventory for any reason, such as expiration of Section 8 contracts.**

The National Housing Preservation Database, maintained by the National Low Income Housing Coalition, provides detailed information on the landscape of affordable housing for extremely low income families

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in the state of Maryland. Properties at the end of an affordability restriction (the period of time a property receiving a federal subsidy is legally required to remain affordable and available for extremely low income households) have the choice to either remain affordable for its existing renters, seek additional subsidies, or reposition the property as market-rate housing.

The most recent data from this provider (2023) indicates that 2,342 publicly supported rental homes are facing an expiring affordability restriction in the next five years. Table 39 below provides a more detailed overview of these units and their original funding sources. The majority of rental homes with expiring affordability restrictions are assisted by Section 8 contracts.

<b>Funding Source</b>	<b>Total Number of Units with Expiring Affordability Restrictions</b>
Low Income Housing Tax Credit (LIHTC)	109
Section 8	1,307
USDA	16
Other HUD	747
Multiple	163

Data Source: National Housing Preservation Database (2023)

**Table 39: Expiring Affordability Restrictions by Funding Type**

**Does the availability of housing units meet the needs of the population?**

In 2025, DHCD updated its State Housing Needs Assessment report. The report examined several housing gaps present in the state including housing production and the availability of housing units for residents. This analysis revealed that there is a significant shortfall of affordable housing for renters with an estimated shortage of 275,000 rental homes for households earning below 80% of the Area Median Income. The most significant need for housing is among extremely low income households (earning below 30% of the Area Median Income) with an estimated shortage of 132,000 housing units. There is no geographic location within the state that is not impacted by this shortage of rental properties.

Homeowners similarly face housing shortages. Statewide, there is a shortage of 817 homes for every 1,000 households earning between 80-100% of Area Median Income and a shortage of 908 homes for every 1,000 households earning between 100-120% of Area Median Income. The shortage in homeowner housing units is more visible in jurisdictions with the highest home values such as Montgomery and Prince George’s counties.

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### **Describe the need for specific types of housing:**

There is a need for all types of housing throughout Maryland, particularly for extremely low income households.

The Public Needs Survey completed as a part of the citizen consultation process for the Consolidated Plan asked respondents about housing types needs in their communities. Respondents had the ability to indicate the level of need (not needed, somewhat needed, very needed, or priority need) for six types of housing (apartments, condominiums, townhomes or other attached homes, single family detached, manufactured homes, and group homes).

Among respondents, the housing type with the highest level of perceived need (ranked as either very needed or priority need) was tied between apartments and single family detached (179 responses).

## MA-15 Cost of Housing – 91.310(a)

### Introduction

This section of the Market Analysis examines the cost of various types of housing in Maryland. Its components explore median home values, median rent, and housing affordability.

### Cost of Housing

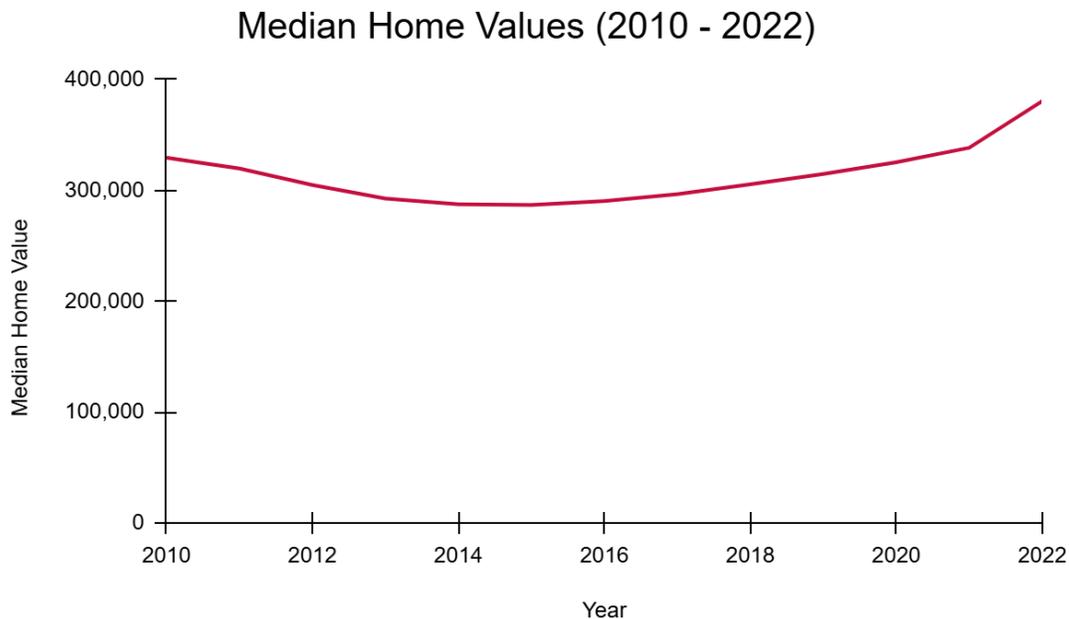
Cost of Housing	Base Year: 2010	Most Recent Year: 2022	% Change
Median Home Value	\$329,400	\$380,500	15.51%
Median Contract Rent	\$1,153	\$1,420	23.16%

Data Source: 2006-2010 American Community Survey Five-Year Estimates, 2018-2022 American Community Survey Five-Year Estimates

**Table 40 – Cost of Housing**

The cost of housing in Maryland consistently ranks as one of the highest in the country. The median home value rose by 15.5% from 2010 to 2022 and median contract rent increased by 23.16%. There was a more substantial increase in median home value, however, between the previous Consolidated Plan and this report. In 2020, the reported median home value was \$296,500, \$84,000 less than the current median home value. This represents an increase of 28.3% in home value over the last five year period.

Chart 15 below highlights how median home values have changed since 2010. Home values decreased slightly around 2014 before steadily rising again beginning in 2016 to the present values.



**Chart 15 – Median Home Values (2010 – 2022)**

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Rent Paid	Number	%
Less than \$500	44,965	6.2%
\$500-999	78,648	10.8%
\$1,000-1,499	197,815	27.2%
\$1,500-1,999	217,302	29.8%
\$2,000 or more	189,608	26.0%
<b>Total</b>	<b>728,338</b>	<b>100%</b>

Data Source: 2018-2022 American Community Survey Five-Year Estimates

**Table 41 - Rent Paid**

A majority of the gross rent paid in Maryland (55.8%) exceeds \$1,500 per month with the median gross rent equal to \$1,598. This value exceeds the contract rent total reported in Table 40 as gross rent includes the cost of utilities for a renter. It can then be assumed that the cost of utilities for a renter is roughly \$178 per month.

There are two noteworthy changes in rent paid by Maryland households over the last five years. The percentage of renter households paying above \$1,500 for a housing unit increased by 16% (127,332 households) with the number of households paying above \$2,000 rising by 11.1% (84,841 households). This increase in renter households paying higher gross amounts translates to a decrease in households paying between \$500 - \$1,499 for a housing unit. Households paying between \$500 - \$999 decreased by 6.5% (42,724 households) while households paying between \$1,000 to \$1,499 decreased by 8.3% (50,808 households). These changes indicate that renter households in Maryland are paying larger amounts of money on rent. It also supports the information presented in the Needs Assessment that highlighted the growing rates of housing cost burden in the region.

### Housing Affordability

Number of Units Affordable to Households Earning	Renter	Owner
30% HAMFI	98,135	No Data
50% HAMFI	172,235	298,725
80% HAMFI	310,365	368,430
100% HAMFI	No Data	304,425
<b>Total</b>	<b>580,735</b>	<b>971,580</b>

Data Source: HUD Consolidated Housing Annual Summary (CHAS): 2017-2021

**Table 42 – Housing Affordability**

Table 42 provides an overview of the number of housing units affordable at various income levels across Maryland. Among available renter housing units, 16.9% of rental units were affordable to households earning at or below 30% of the HUD Area Median Family Income (HAMFI), 29.7% of rental units were affordable to households earning between 30-50% HAMFI, and 53.4% of rental units were affordable to households earning between 50-80% HAMFI. For homeowner housing units, 30.7% of properties were affordable to households earning between 30-50% HAMFI, 37.9% of properties were affordable to

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households earning between 50-80% HAMFI, and 31.3% of properties were affordable to households earning above 80% HAMFI.

The information in Table 42 indicates that only 6.3% of all units (combined rental and homeowner) available in Maryland are affordable for extremely low income households earning below 30% HAMFI. This is a slight increase in affordable units for this population from the 2020 Consolidated Plan when only 4.5% of available units were affordable for extremely low income households.

**Monthly Rent**

Monthly Rent (\$)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Fair Market Rent	\$1,132.67	\$1,205.67	\$1,464.56	\$1,905.56	\$2,144.22
High HOME Rent	\$1,070.57	\$1,116.86	\$1,344.64	\$1,676.93	\$1,866.29
Low HOME Rent	\$897.07	\$964.64	\$1,155.29	\$1,345.71	\$1,501.29

Data Source: HUD FMR and HOME Rents

**Table 43 – Monthly Rent**

**Is there sufficient housing for households at all income levels?**

As discussed in the MA-10 section of this report, there is a shortage of available and affordable homeowner and rental housing units across all income levels in Maryland. The below table indicates the housing shortfalls for renter households at various income levels.

Income Level	Rental Housing Shortage
0-30% Area Median Income (Extremely Low)	132,000 rental housing units
30-50% Area Median Income (Very Low)	58,000 rental housing units
50-80% Area Median Income (Low)	88,000 rental housing units

Data Source: 2018-2022 American Community Survey Five-Year Estimates (Reported in 2025 State Housing Needs Assessment)

**Table 44 - Rental Housing Shortage**

When rental housing is examined at a county level, the most significant need for affordable housing occurs in the counties with the largest populations (Prince George’s, Montgomery, Baltimore, and Anne Arundel).

Data on available housing for homeowners was primarily calculated for moderate income levels (80-120% of Area Median Income). There is a shortage of 817 homes for every 1,000 households earning between 80-100% of Area Median Income and a shortage of 908 homes for every household earning between 100-120% of Area Median Income.

**How is affordability of housing likely to change considering changes to home values and/or rents?**

It is anticipated that housing affordability will continue to be a challenge for many Maryland residents over the next five years. Both home values and rents have consistently risen in the state (as discussed in Table 40 and 41) and elevated cost of living also presents a dynamic barrier for many households.

**How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?**

In general, HOME/Fair Market Rents are lower than Area Median Rent. The goal of Fair Market/HOME rents is to establish a benchmark for low income households to rent modest but accessible housing. These rents essentially establish a “rent ceiling” that a landlord is allowed to charge its residents among various HUD subsidized programs. Fair Market Rents often fail to keep pace with the increasing rental rates among traditional market rents and, as a result, these rents do not accurately reflect the cost of housing in an area.

This disparity between Fair Market Rents and Area Median Rent highlights the continued need for affordable housing throughout the region, particularly as individuals transition from subsidized housing. It is important that additional affordable units are generated in communities to ensure that households are able to maintain reduced housing costs without generating additional instances of housing cost burden.

## MA-20 Condition of Housing – 91.310(a)

### Introduction

This section of the Market Analysis examines the condition of various types of housing in Maryland. Its components explore housing problems, age of housing stock, risk of lead-based paint, and rehabilitation standards.

### Describe the jurisdiction's definition of "standard condition" and "substandard condition but suitable for rehabilitation"

In general, DHCD will utilize the following definitions in evaluating properties:

- **Substandard Housing:** a dwelling that endangers the life, limb, property, safety or welfare of the occupants or general public.
- **Substandard Condition but Suitable for Rehabilitation:** a dwelling whereby total comprehensive repair and/or replacement costs do not exceed 50% of the total projected market value of the dwelling following rehabilitation. Repair and/or replacement activities are primarily targeted at correcting critical features of a property and this may include foundation repairs, wall repairs, windows/door/roof replacement, electrical rewiring, disability access, and lead-based paint mediation.

### Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With One Selected Condition	339,738	21.72%	344,066	45.63%
With Two Selected Conditions	6,413	0.41%	23,505	3.12%
With Three Selected Conditions	836	0.05%	1,587	0.21%
With Four Selected Conditions	20	0.01%	0	0.00%
No Selected Conditions	1,217,049	77.81%	384,910	51.04%
<b>Total</b>	<b>1,564,056</b>	<b>100%</b>	<b>754,068</b>	<b>100%</b>

Data Source: 2018-2022 American Community Survey Five-Year Estimates

**Table 45 - Condition of Units**

Table 45 examines the extent to which housing structures in Maryland report various conditions. These conditions align with the four housing problems previously discussed in the Needs Assessment portion of this report and it includes substandard or lack of kitchen and/or plumbing facilities, overcrowding, and housing cost burden.

In general, the majority of renters and homeowners (51% and 77.8% respectively) do not report any negative conditions with their current properties. Among households reporting any negative condition with a property, most renter or homeowner households only experience one condition.

These percentages of reported housing conditions are consistent with levels reported in 2020. However, due to the total increase in available housing units, the actual number of households

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experiencing a housing condition did change over the last five year period. Homeowner households reporting one housing condition decreased by 45,522 households. It is also somewhat noteworthy that during this time 20 homeowner households now report experiencing all four housing conditions. Renter households reporting a single housing condition increased by 9,965 households and renter households reporting two housing conditions increased by 2,644 households.

### Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	247,929	15.20%	114,646	14.39%
1980-1999	510,964	31.33%	218,255	27.41%
1950-1979	591,353	36.26%	320,632	40.27%
Before 1950	280,524	17.21%	142,711	17.93%
<b>Total</b>	<b>1,630,770</b>	<b>100%</b>	<b>796,244</b>	<b>100%</b>

Data Source: HUD Consolidated Housing Annual Summary (CHAS): 2017-2021

**Table 46 – Year Unit Built**

The majority of housing units available for rent or purchase in Maryland (55%) were constructed prior to 1979. Renter households are more likely to live in an older property built either before 1979 (58.2%) or 1950 (17.9%) compared to homeowner households (53.5% and 17.2% respectively). The prevalence of older housing stock indicates the potential need among households for various rehabilitation assistance in areas such as lead-paint remediation, roof repairs, heating repairs, and window replacements.

### Risk of Lead-Based Paint Hazard

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	778,965	50.46%	413,785	55.13%
Housing Units Built Before 1980 with Children Present	98,195	12.61%	69,620	16.83%

Data Source: HUD Consolidated Housing Annual Summary (CHAS): 2017-2021

**Table 47 – Risk of Lead-Based Paint**

In 1978, the use of lead based paint in residential dwellings was federally banned due to the serious health risk the material posed if ingested, particularly by children under the age of six. The potential presence of lead based paint in housing units constructed prior to 1979 presents a continued health risk for households with children.

Table 47 highlights the potential number of households with children that might be at an increased risk of exposure to lead based paint. In general, a larger proportion of renter households (16.8%) are at risk of exposure to lead based paint, however, a larger number of homeowner households (98,195) have children under the age of six present.

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**Vacant Units**

Unit Type	Suitable for Rehabilitation	Not Suitable for Rehabilitation	Total
Vacant Units	-	-	13,000
Abandoned Vacant Units	N/A	5,000	5,000
REO Properties	-	-	363
Abandoned REO Properties	N/A	N/A	N/A

Data Source: Attom Foreclosure

**Table 48 - Vacant Units**

Limited information is available on vacant units in the state of Maryland. Most data is captured at the local level and, as a result, not readily available to DHCD. Information on whether a property is suitable for rehabilitation or vacant is similarly not readily available on a comprehensive level. The data represented in Table 48 represents the best faith effort of DHCD to illustrate the state of vacant units in the region.

The majority of vacant and/or abandoned properties in Maryland are located in Baltimore City. It is estimated that there are nearly 13,000 vacant and abandoned structures in Baltimore City as of 2024 (representing the total number of vacant units entered in Table 48). In an effort to address this concentration of vacant properties, DHCD has recently partnered with the City of Baltimore to establish the Reinvest Baltimore program which will demolish 5,000 abandoned housing units through 2030. (Note these 5,000 units are included in the 13,000 vacant units total.) More information on the Reinvest Baltimore program, including information on the Baltimore Vacants Reinvestment Council, can be viewed [on DHCD's website](#).

Estimates on Real Estate Owned (REO) properties was obtained through available foreclosure data. In 2024, a total of 1,712 foreclosure events occurred with 17% listed as REO properties (363 housing units). No information is available on whether these units were abandoned or suitable for rehabilitation.

**Need for Owner and Rental Rehabilitation**

Tables 45 and 46 provide an overview on the condition of housing throughout Maryland. In general, many Maryland households do not report any significant housing conditions that may require immediate remediation. Among the renter and homeowner households experiencing a detrimental housing condition, the majority of these households report housing cost burden as their primary housing problem. Only an estimated 1.3% of renter households and 0.4% of homeowner households report a housing condition (substandard kitchen or plumbing facilities) that could be addressed through rehabilitation programs.

Many housing units in Maryland were also constructed prior to 1979, particularly rental housing stock. As housing stock ages, the need for homeowner and renter rehabilitation increases to encompass a range of potential repairs, replacements, and other improvements to sustain the quality of a structure. Older housing units are also more likely to include building materials like asbestos or lead paint which

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may pose serious health risks if left unmitigated. These conditions indicate that demand for rehabilitation programs may grow with time as these households require assistance with costly maintenance projects such as roof replacements, weatherization needs, and foundation repairs.

### **Estimated Number of Housing Units Occupied by Low or Moderate Income Families with LBP Hazards**

There is limited precise data available about the number of low or moderate income households that reside in housing units that may contain lead based paint. Table 47 includes information on the total number of housing units that were built prior to the federal ban of lead based paint in 1978.

It is estimated that among the 1,192,750 households that reside in a housing unit built before 1979, 444,896 of these units are occupied by low or moderate income households. This figure was calculated by applying the proportion of low to moderate income households in the entire state to this subgroup of households. It is possible, however, that the actual number of low or moderate income households at risk of a lead-based paint hazard is higher than the estimate due to the prevalence of low income households occupying older housing units.

## MA-25 Public and Assisted Housing

### Introduction

Information on public housing is not required for state grantees in the Consolidated Plan. However, as part of the Strategic Plan requirements, state grantees must still describe the manner in which the plan of the state will address the needs of public housing.

Data on public housing conditions is very limited and often centralized at the local level. The information included in the following tables and narratives is derived from both local public housing authority records and HUD’s Housing Choice Voucher Data Dashboard.

### Totals Number of Units

#	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers available	N/A	65	1,358	10,712	2,877	7,835	316	197	1,046
# of accessible units	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Data Source: HUD Housing Choice Voucher (HCV) Data Dashboard

Table 49 – Total Number of Units by Program Type

### Describe the supply of public housing developments:

#### 1 - Describe the number and physical condition of public housing units in the jurisdiction, including those that are participating in an approved Public Housing Agency Plan:

DCED does not currently maintain comprehensive records on the number and physical condition of all public housing units in the state. However, all Housing Choice Voucher and public housing properties that receive HUD funding are required to comply with routine inspections that are completed roughly every 1 to 3 years. All properties must pass its inspection and correct any deficiencies to continue to receive HUD funding. Properties with serious health and safety issues have 24 hours to correct any deficiencies.

**2- Describe the Restoration and Revitalization Needs of public housing units in the jurisdiction:**

Public housing units in Maryland often require the same restoration and revitalization as other available rental properties. The rehabilitation needs of properties in the region are discussed in more detail in the MA-20 section of this report.

**3 - Describe the public housing agency's strategy for improving the living environment of low- and moderate-income families residing in public housing:**

The State of Maryland does not own or operate any public housing in the state.

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**MA-30 Homeless Facilities – 91.310(b)**

**Introduction**

Continuums of Care in Maryland (CoC) oversee local and regional efforts to develop emergency shelter, transitional housing, and permanent supportive housing resources to address homelessness. On any given night in Maryland in 2024, there were:

- 6,034 beds dedicated to emergency shelter, safe haven, and transitional housing (all also available year round)
- 482 seasonal and overflow beds (available only during winter months)
- 1,791 rapid rehousing beds that provide up to 24 months of rental subsidy and services
- 7,886 permanent supportive housing beds for households with disabilities
- 2,404 other permanent housing beds dedicated for non-disabled homeless households.

**Facilities Targeted to Homeless Persons**

Population	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	2,085	58	436	3,472	92
Households with Only Adults	2,497	424	1,001	4,414	31
Chronically Homeless Households	0	0	0	3,014	1
Veterans	106	50	267	1,531	0
Unaccompanied Youth	85	0	123	87	0

Data Source: 2024 Housing Inventory Count

**Table 50 - Facilities Targeted to Homeless Persons**

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### **Describe mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons**

Continuums of Care develop partnerships with local behavioral health providers, health care facilities, and workforce development programs in their county/region. Services include inpatient and outpatient substance abuse treatment, psychiatric care, preventive and treatment-based medical care, job training and placement assistance, and career development programs. These partnerships and strategies are documented through the annual Continuum of Care NOFO process. If community-based supportive services are not adequately available for free, ESG- and State-funded programs may utilize funds to pay for services and/or hire staff to perform services.

Among the ten Maryland CoCs, four have lead agencies that are local health departments. Additionally, many HUD-funded permanent supportive housing projects across the state are administered by the Maryland Department of Health in partnership with their local health departments.

Through its leadership of the Maryland Interagency Council on Homelessness, DHCD collaborates with over fourteen state agencies to align mainstream services, programs, and homeless response strategy. Major and recent state initiatives have included:

- **Assistance in Community Integration Services Program (ACIS):** Launched in 2017, The ACIS pilot leverages federal funding available under the state's Medicaid 1115 Health Choice waiver to deliver housing and tenancy-based services to qualifying individuals with significant chronic health conditions, frequent utilization of hospital emergency departments, and housing instability or homelessness. The program currently operates in four of the state's ten CoCs: Baltimore City, Cecil County, Montgomery County, and Prince George's County. Several of the CoCs have paired these housing case management supportive services with local vouchers, rental assistance, and other deeply affordable housing to effectively create new permanent supportive housing. In SFY2025, Maryland received approval from the Centers for Medicare and Medicaid Services to increase program capacity from 900 adults to 2,146 adults and expand the program statewide. This expansion is made possible by the Moore-Miller administration's commitment of over \$5 million in annual state match funding.
- **Low-Income Housing Tax Credit Program (LIHTC):** In 2025, DHCD established a permanent supportive housing set-aside and 15% homeless preference for all projects applying to the 9% competitive tax credit round for LIHTC (the primary financing tool for the development of new affordable housing in Maryland). DHCD will be collaborating with MDH to leverage the increase in supportive services available under the ACIS program to pair with dedicated homeless units created through LIHTC.
- **Older Adult Home Modification Program:** In 2025, DHCD will launch a new program to provide high-impact, low cost home modifications to low-income seniors in eight rural counties. The program will utilize the evidence-based CAPABLE model, which integrates occupational therapy and registered nursing services into the home modification process to provide wraparound supports that help seniors age in place safely and independently. The program will prioritize chronically homeless individuals who are residents of permanent supportive housing.

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- **Workforce Solutions to Address Homelessness:** Launched in 2023, the Maryland Department of Labor allocated over \$1 million in funding to support workforce development, training, and paid employment programs for homeless jobseekers through 5 projects serving 8 counties.

**List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.**

Over 480 programs across Maryland provide emergency shelter and permanent housing assistance to homeless households.

### **Chronically Homeless**

The primary intervention available to address chronic homelessness is permanent supportive housing (PSH), which provides deeply subsidized housing and comprehensive supportive services. Individuals must have a permanent disability and be homeless to meet the minimum eligibility requirements for PSH, and all PSH placements are prioritized for households who have the longest history of homelessness. The majority of PSH units in Maryland are funded by HUD and the Veterans Administration (VA). Of the 152 PSH programs in the state, 39% are site-based housing and 61% are tenant-based housing.

### **Veterans**

The majority of programs dedicated to serving homeless veterans are funded by the Veterans Administration (VA). The VA implements three primary types of housing interventions:

- HUD-Veterans Affairs Supportive Housing (VASH) - Permanent supportive housing
- Grant and Per Diem – Short-term emergency shelter and transitional housing
- Supportive Services for Veterans and Families – Homeless prevention and rapid re-housing

### **Families with Children**

Approximately 15% of people experiencing chronic homelessness in Maryland are families with children. These families are generally prioritized for available permanent supportive housing. However, the majority of families are experiencing temporary or episodic homelessness and tend to have lower rates of disabilities and co-occurring health conditions. Families with children are generally provided rapid re-housing, which utilizes a rent subsidy and supportive services for up to 24 months based on a progressive engagement model. The duration and amount of rental assistance varies by household according to their individual needs, and program assistance is generally re-evaluated every 30-60 days. Rapid re-housing models can vary widely across the state depending on the program's budget, connections to mainstream services providers, and level of acuity and need of the households served. The most comprehensive rapid re-housing models incorporate employment and workforce development, housing navigation services, and sometimes health services into the case management

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team model. Lighter touch rapid re-housing models will sometimes provide just a security deposit and a few months of rental assistance, or may function more as a "rapid exit" intervention for homeless families who have income adequate to pay monthly rent for a unit, but do not have sufficient assets and savings to pay the upfront costs of a new unit or have other leasing barriers (example: poor credit or eviction history).

### **Unaccompanied Youth**

Generally, unaccompanied youth under 25 are also referred to permanent supportive housing and rapid re-housing like other households. In some cases, a program may exclusively serve unaccompanied youth. CoCs are deploying other creative interventions for youth including:

- Host homes in lieu of traditional emergency shelters or transitional housing, which can be provided by kinship or community-based families
- Family strengthening and reunification services
- Direct cash transfer or universal basic income to support youth in renting their own room or preferred housing arrangement, such as staying with friends and contributing towards household bills

**MA-35 Special Needs Facilities and Services – 91.310(c)**

**Introduction**

The State of Maryland provides a variety of programs and services for special needs individuals and households. This section specifically discusses the facilities and services available to persons who are not homeless but require supportive housing and programs to maintain their quality of life, including persons living with HIV/AIDS.

The various types of housing assistance discussed below include:

- TBRA: Tenant Based Rental Assistance
- PH: Permanent Housing
- STRMU: Short Term Rent, Mortgage, and Utility Assistance
- ST or TH: Short Term Supported Housing

**HOPWA Assistance Baseline Table**

Type of HOWA Assistance	Number of Units Designated or Available for People with HIV/AIDS and their Families
TBRA	143
PH in facilities	0
STRMU	26
ST or TH facilities	0
PH placement	0

Data Source: HOPWA CAPER and HOPWA Beneficiary Verification Worksheet

**Table 51 – HOPWA Assistance Baseline**

**To the extent information is available, describe the facilities and services that assist persons who are not homeless but who require supportive housing, and programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing**

The State of Maryland’s HUD formula grant programs do not specifically target services for persons returning from mental and physical health institutions. There is assistance available for these populations through the Maryland Department of Disabilities.

**Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing**

The State of Maryland’s HUD formula grant programs do not specifically target services for persons returning from mental and physical health institutions. There is assistance available for these populations through the Maryland Department of Disabilities.

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**Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)**

The State of Maryland's HOPWA program focuses exclusively on activities that target homeless prevention for individuals living with HIV/AIDS. This assistance is primarily provided through tenant based rental assistance and case management services.

**For entitlement/consortia grantees: Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. (91.220(2))**

This is not applicable to the State of Maryland's HOPWA program.

## MA-40 Barriers to Affordable Housing – 91.310(d)

### Negative Effects of Public Policies on Affordable Housing and Residential Investment

Public policy can often create adverse or negative effects on residents or communities. The impacts of these policies can be either intentional or an unintended consequence. In general, most public policy involving affordable housing or residential investment is enacted at the local level (either by municipal or county governments). Common types of public policy that may create negative effects on affordable housing and residential investment include:

- Local Zoning and Land Use Policies:** Local governments are the primary authorities in regulating the use of land within its jurisdiction. Many local governments favor the usage of single-family zoning designations which limits the ability of housing developers to construct higher density housing units that may better address regional housing shortages. Local governments also tend to concentrate zoning tracts where multifamily housing units can be constructed on the periphery of jurisdictions that are often removed from access to transportation, employment, or educational opportunities. The adoption of other local land use policies such as lot sizes, property setbacks, and building height restrictions can present additional barriers to affordable housing development and discourage the construction of higher density units.
- Limitations on Single Family Housing:** Many local jurisdictions do not currently authorize the use of alternative housing types that may expand the density of single family homes. The availability of Accessory Dwelling Units (ADU) is extremely limited in the region and only a handful of counties allow ADUs.
- Administrative and Processing Burdens:** The permitting, reviewing, and approval process for housing developments can be costly and time consuming. Affordable housing projects (particularly those targeting extremely low income households) often face more distinct financial and time constraints compared to market-rate development. This is partly due to the smaller return on investment income-targeted housing can generate for a developer unlike market-rate housing. As a result, excessive permitting and other administrative requirements can sometimes render an affordable housing project unfeasible. These requirements may include consultations with stakeholders, public hearings, architectural plans, market analysis, environmental analysis, site surveys and/or traffic impact studies. Historic preservation conditions may also be required for developers seeking to construct or rehabilitate in downtown areas or older neighborhoods. The more administrative or processing requirements that a developer must undertake prior to construction ultimately delays housing availability and worsens existing housing shortages.
- Legacy of Historic Public Policy:** Historic practices such as redlining and segregation have frequently culminated in a concentration of poverty in urban areas.
- Insufficient Resources:** Maryland's affordable housing needs exceed the amount of available resources at the local, state, and federal levels. The average cost for a housing development has risen dramatically in the years following the onset of the Covid-19 pandemic. Labor shortages and increased material costs (particularly with lumber) have created new financial constraints

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for housing developers. Local municipalities have also struggled to identify resources that would correct insufficient public infrastructure necessary to support additional housing.

- **Political Will/Public Opinion:** Many housing developments face significant opposition from local communities over concerns about increased density, parking, school conditions, and other perceived fears. Public opposition to new housing developments is found in every community, but there is a particular concentration of opposition in more suburban areas. While these opinions may actually represent a minority of residents in a community, vocal and consistent opposition can often influence elected officials to deny affordable housing developments or other financial incentives.

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**MA-45 Non-Housing Community Development Assets -91.315(f)**

**Introduction**

This section of the Market Analysis examines the various non-housing community development assets in Maryland. A particular emphasis is on the different economic facets of the region including topics like major business sectors, employment rates, and educational attainment of the labor force.

**Economic Development Market Analysis**

**Business Activity**

<b>Business by Sector</b>	<b>Number of Workers</b>	<b>Number of Jobs</b>	<b>Share of Workers %</b>	<b>Share of Jobs %</b>	<b>Jobs less workers %</b>
Agriculture, Mining, Oil & Gas Extraction	16,708	6,436	0.53%	0.30%	-0.23%
Arts, Entertainment, Accommodations	241,580	201,639	7.62%	9.32%	1.70%
Construction	226,633	145,539	7.15%	6.72%	-0.43%
Education and Health Care Services	759,853	545,286	23.98%	25.19%	1.21%
Finance, Insurance, and Real Estate	177,681	113,698	5.61%	5.25%	-0.36%
Information	57,287	35,664	1.81%	1.65%	-0.16%
Manufacturing	152,925	101,883	4.83%	4.71%	-0.12%
Other Services	163,564	76,109	5.16%	3.52%	-1.64%
Professional, Scientific, Management Services	528,858	422,019	16.69%	19.50%	2.81%
Public Administration	352,003	109,050	11.11%	5.04%	-6.07%
Retail Trade	274,271	231,106	8.66%	10.68%	2.02%
Transportation and Warehousing	172,449	97,557	5.44%	4.51%	-0.93%
Wholesale Trade	44,606	78,531	1.41%	3.63%	2.22%
<b>Total</b>	<b>3,168,418</b>	<b>2,164,518</b>	<b>--</b>	<b>--</b>	<b>--</b>

Data Source: 2022 American Community Survey, 2022 Longitudinal Employer-Household Dynamics

**Table 52 - Business Activity**

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**Labor Force**

Total Population in the Civilian Labor Force	3,300,378
Civilian Employed Population 16 years and Over	3,131,413
Unemployment Rate	3.0%
Unemployment Rate for Ages 16-24	13.29%
Unemployment Rate for Ages 25-65	4.12%

Data Source: 2018-2022 American Community Survey Five-Year Estimates

**Table 53 - Labor Force**

<b>Occupations by Sector</b>	<b>Number of People</b>
Management, Business and Financial	656,857
Farming, Fisheries and Forestry Occupations	5,630
Service	509,844
Sales and Office	548,686
Construction, Extraction, Maintenance and Repair	234,962
Production, Transportation and Material Moving	276,991

Data Source: 2018-2022 American Community Survey Five-Year Estimates

**Table 54 – Occupations by Sector**

**Travel Time**

<b>Travel Time</b>	<b>Number</b>	<b>Percentage</b>
< 30 Minutes	1,312,293	49.59%
30-59 Minutes	962,722	36.38%
60 or More Minutes	371,252	14.03%
<b>Total</b>	<b>2,646,267</b>	<b>100%</b>

Data Source: 2018-2022 American Community Survey Five-Year Estimates

**Table 55 - Travel Time**

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**Education**

**Educational Attainment by Employment Status (Population 16 and Older)**

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	Unemployed
Less than High School Graduate	162,386	13,014	93,809
High School Graduate (includes equivalency)	525,294	33,974	181,622
Some College or Associate's Degree	643,365	31,366	144,121
Bachelor's Degree or Higher	1,237,676	33,175	148,979

Data Source: 2018-2022 American Community Survey Five-Year Estimates

**Table 56 - Educational Attainment by Employment Status**

**Educational Attainment by Age**

Educational Attainment	Age					Total
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs	
Less than 9th Grade	8,101	20,572	36,664	59,078	46,110	170,525
9th to 12th Grade, no Diploma	55,497	33,112	37,584	82,270	68,527	277,440
High School Graduate, GED, or Alternative	174,144	182,213	162,854	397,749	269,908	1,186,868
Some College (no degree)	188,786	160,753	133,445	299,625	178,795	961,404
Associate's Degree	27,974	62,712	59,004	113,536	56,838	320,064
Bachelor's Degree	80,342	230,355	193,583	353,057	175,921	1,033,258
Graduate or Professional Degree	6,474	133,841	191,279	330,655	190,055	852,304

Data Source: 2018-2022 American Community Survey Five-Year Estimates

**Table 57 - Educational Attainment by Age**

**Educational Attainment – Median Earnings in the Past 12 Months**

Educational Attainment	Median Earnings in the Past 12 Months
Less than High School Graduate	\$33,131
High School Graduate (includes equivalency)	\$42,031
Some College or Associate's Degree	\$51,386
Bachelor's Degree	\$75,924
Graduate or Professional Degree	\$100,856

Data Source: 2018-2022 American Community Survey Five-Year Estimates

**Table 58 – Median Earnings in the Past 12 Months**

**Based on the Business Activity table above, what are the major employment sectors within the state?**

Table 52 provides an overview of the various business sectors in the state of Maryland. The sectors with the largest share of workers are Education and Health Care Services, Professional, Scientific, Management Services, and Public Administration. These three sectors combined employ a total of 1,640,714 workers or 51.78% of all workers in the state. This abundance of workers in these fields is similar to overall national numbers with the exception of total public administration workers (4.64% nationally versus 11.11% statewide). This higher share of public administration workers in Maryland can likely be attributed to the state's proximity to Washington D.C. and the location of many federal and state government agencies operating in the state.

Over the last five years, Maryland gained a net 70,242 workers. Business sectors such as Professional, Scientific, Management Services, Manufacturing, Education and Health Care services, and Construction saw the most substantial gains in terms of share of workers with increases of 1.08%, 0.49%, 0.25%, and 0.22% respectively. On the other hand, sectors such as Arts, Entertainment, Accommodations and Retail Trade incurred the most loss of share of workers (0.81% and 0.57% in turn).

**Describe the workforce and infrastructure needs of business in the state.**

Table 52 outlines the workforce needs of the business community. Fields such as Arts, Entertainment, and Accommodations, Education and Health Care Services, Professional Scientific Management Services, and Retail Trade all report lower total workers compared to total available jobs. On the other hand, there is a surplus of workers in the Public Administration and Other Services sectors.

The continued success of Maryland's business community requires consistent improvements to the region's infrastructure system. This includes projects targeting streets and highways, local water and sewer connections, and broadband internet connections.

**Describe any major changes that may have an economic impact, such as planned public or private sector investments or initiatives that have affected or may affect job and business growth opportunities during the planning period. Describe any needs for workforce development, business support or infrastructure these changes may create.**

Over the next five year period (FFY 2025-2030), the State of Maryland will implement several major planned initiatives that will have an economic impact in the region.

The redevelopment of state-owned land adjacent to the Odenton MARC Station by the Maryland Department of Transportation will further promote transit-oriented development and provide that area with mixed-use housing, improved amenities, and multimodal access to transportation.

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Prince George's County has also been designated as the location of the new federal FBI headquarters. If the project moves forward, the headquarters will bring 7,500 jobs to the area as well as attract other businesses that complement the FBI's work such as technology and cybersecurity companies.

In March 2024, the Francis Scott Key Bridge partially collapsed following the collision of a container ship with one of its pillars. The reconstruction of the bridge by the Maryland Department of Transportation will begin in 2025 with a targeted completion date of fall 2028. The project will utilize a significant amount of skilled labor from the region and the Department of Transportation will utilize local businesses in the reconstruction whenever possible.

The above developments (and others) will require the continued process of workforce development in a variety of fields including public administration, construction, manufacturing, and information services.

### **How do the skills and education of the current workforce correspond to employment opportunities in the state?**

Maryland workers are, in general, highly educated. 68.9% of individuals eligible to participate in the workforce have some form of college education (either some college/associates degree or a bachelor's degree and higher) and 26.2% of these eligible individuals possess a graduate or professional degree. This skilled workforce consistently ranks Maryland within the most educated states in the country.

The degree of educated residents (particularly graduate level educated residents) corresponds with the amount of jobs based in professional, scientific, and management services (as indicated in Table 52). Maryland holds the second highest rate of federal obligations for research and development and the state is home to several noteworthy scientific institutions like the National Institutes of Health (NIH).

While the absence of a four year college degree does not exclude residents from employment, it does present a prospective barrier to securing higher paying and more stable work, particularly in the business sectors with the highest total jobs (as noted in the previous section). The majority of Maryland residents eligible to work in the labor force (56.3%) do not hold a four year college degree. In 2022, the State of Maryland eliminated the requirement of a four-year college degree for many state positions. Instead, potential employees could demonstrate skills through alternative routes. This decision provided Marylanders without a formal college degree with new potential employment opportunities and the practice has similarly been implemented at other government entities throughout the region.

### **Describe current workforce training initiatives supported by the state. Describe how these efforts will support the state's Consolidated Plan.**

The State of Maryland's Department of Labor offers many workforce training initiatives for Maryland residents through its Division of Workforce Development and Adult Learning (DWDAL). The division's mission is to "ensure businesses have the skilled workforce they need to compete in the global marketplace, and to build a strong pipeline of qualified workers by reaching jobseekers - especially individuals with barriers to employment - with the workforce system's employment and training resources."

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As the State's primary workforce development entity, DWDAL oversees the operation of American Job Centers in every county of the state. These centers allow any Maryland resident to participate in interview workshops, receive information on job training programs, and receive assistance with resumes.

In addition to the various job centers, the DWDAL administers the following services or programs for residents:

- **Maryland Workforce Exchange:** an online site where job seekers can upload resumes to connect with potential employers or popular job search sites.
- **Maryland Reentry Initiative:** assists individuals with criminal backgrounds by increasing their employability and providing equal opportunity and access to employment resources.
- **Senior Community Services Employment Program:** provides unemployed, low-income job seekers aged 55 or older with job training and employment opportunities.
- **Youth Employment Program:** guides youth to achieve personal goals and prepare for career paths through empowerment, education, and employment opportunities.

The Adult Education and Literacy Services department within the Division of Workforce Development and Adult Learning also provides additional support to residents needing English language acquisition, basic academic skills, or high school diploma options.

The efforts by the Department of Labor and its workforce training initiatives complements the goals outlined in this Consolidated Plan by DHCD. Both departments continue to emphasize the need for continued assistance among low income households as well special populations such as the elderly or individuals recently leaving public institutions. The ability of these populations to find stable and steady employment is integral in addressing several housing problems, especially the occurrence of homelessness and the severity of housing cost burden in various communities.

### **Describe any other state efforts to support economic growth.**

The State's Department of Commerce serves the region's primary economic development agency to stimulate private investment and attract new businesses. The department provides many economic development services such as building/site location assistance, finance programs, tax credits, business advocacy, foreign direct investment, export consulting and marketing, and tradeshow and conference partnerships.

There are currently 56 different funding programs available through the Department of Commerce to support various economic development initiatives with either grants, loans, or tax credits. These programs include the Biotechnology Investment Incentive Tax Credit, Buy Maryland Cybersecurity Tax Credit, Enterprise Zone Tax Credits, Maryland Agricultural & Resource-Based Industry Development

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Corporation Programs, Maryland Momentum Fund, and Research and Development Tax Credit. A complete list of these programs can be found on the Department of Commerce's [website](#).

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**MA-50 Needs and Market Analysis Discussion**

**Are there areas where households with multiple housing problems are concentrated? (include a definition of "concentration")**

Almost one-third of Maryland households (30.8%) experience one or more housing problems (lacking complete plumbing or kitchen facilities, overcrowding, or housing cost burden). As previously discussed in the Housing Needs Assessment section of this report, the most common housing problem experienced by households is housing cost burden. Table 59 below examines the incidence of housing problems by county in Maryland to identify potential concentrations of problems. A concentration of housing problems will be defined as when two or more counties that physically border one another each report higher instances of housing problems compared to the state average.

County	% of Renters with Housing Problem	% of Homeowners with Housing Problem	% of Combined Renter/Homeowner with Housing Problem
Statewide	48.6	22.1	30.8
Allegany	41.9	16.1	24.2
Anne Arundel	45.7	20.3	26.8
Baltimore	50.6	20.2	30.4
Calvert	45.4	18.5	22.5
Caroline	49.7	26.8	33.2
Carroll	40.9	18.6	22.4
Cecil	46.9	22.9	28.7
Charles	47.7	23.4	28.7
Dorchester	47.6	24.7	31.8

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<b>County</b>	<b>% of Renters with Housing Problem</b>	<b>% of Homeowners with Housing Problem</b>	<b>% of Combined Renter/Homeowner with Housing Problem</b>
Frederick	45.2	19.8	25.8
Garrett	29.3	21.4	23.0
Harford	42.9	18.5	23.5
Howard	44.1	17.9	25.0
Kent	51.1	24.5	33.0
Montgomery	50.0	22.6	32.1
Prince George's	52.6	27.9	37.2
Queen Anne's	49.4	24.1	20.8
St. Mary's	38.3	19.4	24.8
Somerset	56.8	26.7	36.4
Talbot	43.0	23.3	28.6
Washington	44.5	18.5	27.4
Wicomico	46.6	19.4	30.7
Worcester	50.7	26.3	32.1
Baltimore City	49.1	26.4	38.2

Data Source: HUD Consolidated Housing Annual Summary (CHAS): 2017-2021

**Table 59 – Housing Problems by County**

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The information in Table 59 presents two potential areas where housing problems exist at a higher rate than elsewhere in the state - the Eastern Shore and the DC metro area. Five counties on the Eastern Shore (Caroline, Dorchester, Kent, Somerset, and Worcester) all report elevated occurrences of housing problems when both renter and homeowner households are examined together. Somerset County reports the second highest rate of housing problems among all counties. Two counties in the DC metro area (Montgomery and Prince George's) also experience higher instances of housing problems with Prince George's County reporting the highest levels of housing problems among all counties.

When housing problems are distinguished by renter or homeowner households only, the concentrations identified above still exist with two minor differences.

An additional concentration is identified in the Baltimore metro area among renter households experiencing housing problems. Although Baltimore City consistently reports higher rates of housing problems among all housing types (renter, homeowner, and combined), the only neighboring jurisdiction that also reports similar instances is Baltimore County within its renter households.

Among homeowner households, four additional counties (Cecil, Charles, Queen Anne's, and Talbot) experience higher rates of housing problems compared to the statewide average. The inclusion of Cecil, Queen Anne's, and Talbot counties in this classification effectively renders the entirety of the Eastern Shore region (with the exception of Wicomico County) as a large-scale concentration of elevated housing problems. Two counties on the Eastern Shore (Caroline and Somerset) report the second and third highest rates of housing problems among all counties. Similarly, homeowner households in Charles County also report higher housing problems than the statewide average and, as such, expands the DC metro area concentration further south.

No pattern or concentration emerges when examining housing problems occurring at a lower rate than the state average.

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### **Are there any areas in the jurisdiction where racial or ethnic minorities or low-income families are concentrated? (include a definition of "concentration")**

There are 40 racially or ethnically concentrated areas of poverty (R/ECAP) in Maryland. These locations were identified through HUD's R/ECAP database which uses two determinations to determine whether a census tract is a R/ECAP. The census tract must have a non-white population of 50% or more as well as 40% or more of all residents living at or below the poverty line or is three or more times the average tract poverty rate for the metropolitan area (whichever is lower).

The majority of R/ECAPs in Maryland (27) are located in the City of Baltimore. Among the remaining 13, 10 are located in the metropolitan suburban counties of Anne Arundel, Montgomery, and Prince George's. The remaining 3 are in the rural counties of Dorchester, Harford, and Washington.

Although not formally in Maryland's jurisdiction, the state does border an additional 11 R/ECAPs that are in Washington D.C.

### **What are the characteristics of the market in these areas/neighborhoods?**

The areas/neighborhoods described in the previous section typically have weaker economic and housing markets than the rest of the state. In general, these R/ECAPS have lower median incomes and higher unemployment rates. Home values in these communities are also often lower than other communities in the immediate vicinity.

### **Are there any community assets in these areas/neighborhoods?**

There are many community assets in these R/ECAP areas/neighborhoods. While the specific community assets vary by each neighborhood, in general, these areas are home to public schools, libraries, public parks, and local/regional medical organizations.

### **Are there other strategic opportunities in any of these areas?**

DHCD and the State of Maryland have prioritized the revitalization of Baltimore City in recent years through a variety of targeted strategic opportunities. The newest opportunity, Reinvest Baltimore, was developed in 2024 to eliminate concentrations of vacant properties, revitalize neighborhoods, and maximize the economic potential and quality of life for residents in Baltimore City. The program will leverage targeted investments to move at least 5,000 vacant properties into homeownership or other positive outcomes over the next five year period (State Fiscal Years 2025-2029).

**MA-60 Broadband Needs of Housing occupied by Low- and Moderate-Income Households - 91.210(a)(4), 91.310(a)(2)**

**Describe the need for broadband wiring and connections for households, including low- and moderate-income households and neighborhoods.**

As of 2023, 90.6% of Maryland households have access to broadband internet through some form of subscription. This rate of broadband subscriptions marks a 13.9% increase from 2019 when only 76.7% of Maryland households responded similarly.

Access to broadband internet services remains essential for the success of many households. In the advent of the Covid-19 pandemic, many economic and social sectors shifted to internet-based services for default levels of assistance. Fields like education and healthcare transitioned to virtual opportunities whereas teleworking possibilities greatly expanded among many employers. Although not as comprehensive as during the height of the pandemic, many of these services remain reliant on internet-based access and many job seekers are additionally relegated to using the internet to identify and apply for employment. As a result, a lack of internet and broadband access can segregate a household from potential economic prosperity or other quality of life opportunities. This lack of internet access is often more acute in rural areas.

In 2017, the Maryland General Assembly created a task force on Rural Internet, Broadband, Wireless, and Cellular Service under the Connecting Rural Maryland Act of 2017. At that time, over 324,000 rural Maryland residents lacked access to high-speed internet. The task force assessed connectivity to determine the challenges, issues, and potential actions to address broadband access to the unserved and underserved in all rural areas of Maryland. In 2021, the State officially formed the Office of Statewide Broadband (OSB) under DHCD.

The OSB has been tasked with increasing digital access for all residents of Maryland with an emphasis on low-income households, aging individuals, incarcerated individuals, veterans, individuals with disabilities, individuals with a language barrier (such as individuals who are English learners and who have low levels of literacy), individuals who are members of a racial or ethnic minority group, and individuals who primarily live in a rural area. As a part of its 2024 plan, the OSB identified the following key broadband challenges for several populations that may lack adequate broadband access:

Population	Identified Barriers and/or Obstacles
Aging Individuals	<ol style="list-style-type: none"> <li data-bbox="581 1583 1408 1654">1. Lack of digital skills and lack of confidence in protecting themselves from online security and privacy threats.</li> <li data-bbox="581 1661 1408 1732">2. Lower rates of broadband and device adoption compared to younger populations.</li> </ol>
Incarcerated Individuals	<ol style="list-style-type: none"> <li data-bbox="581 1772 1408 1873">1. Lack of adequate broadband services and adequate funding for digital literacy and workforce training inside correctional institutions.</li> </ol>

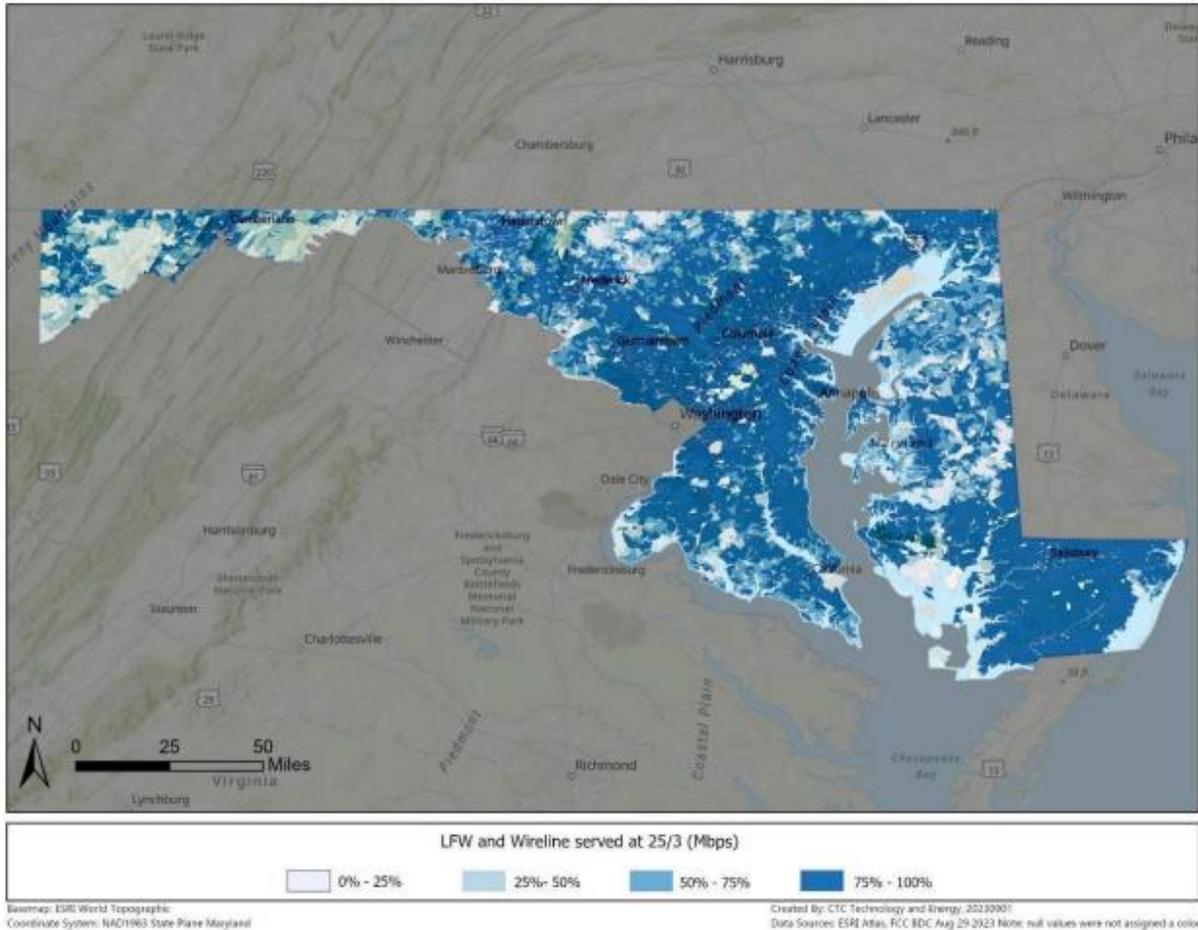
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	<ol style="list-style-type: none"> <li>2. Lack of broadband availability for formerly incarcerated individuals that would enable online job training and job searches to expand employment opportunities.</li> </ol>
Individuals Residing in a Rural Area	<ol style="list-style-type: none"> <li>1. Lack of access to reliable broadband that, in turn, creates barriers to developing digital skills.</li> <li>1. Affordability of service as well as high costs of paying for service drop installation for those with long driveways.</li> </ol>
Individuals with Disabilities	<ol style="list-style-type: none"> <li>1. Less likely to be served by broadband.</li> <li>2. Lag those without disabilities in internet and device adoption.</li> <li>3. Necessary adaptive technology can be expensive, scarce, and hard to use.</li> <li>4. Lack of specialized digital skills training.</li> <li>2. Availability of adequate services to allow work, education, and healthcare at home.</li> </ol>
Individuals with Language Barriers	<ol style="list-style-type: none"> <li>5. Lack of in-language digital skills training.</li> </ol>
Low-Income Households	<ol style="list-style-type: none"> <li>1. Barriers affording service with the speeds and data capacity to meet digital needs.</li> <li>2. Lack of knowledge or access to discount subsidy programs, including for devices.</li> <li>3. Challenges affording computing devices and tech support.</li> <li>1. Insufficient infrastructure in buildings with inadequate wiring.</li> </ol>

**Table 60 – Identified Broadband Barriers by Population**

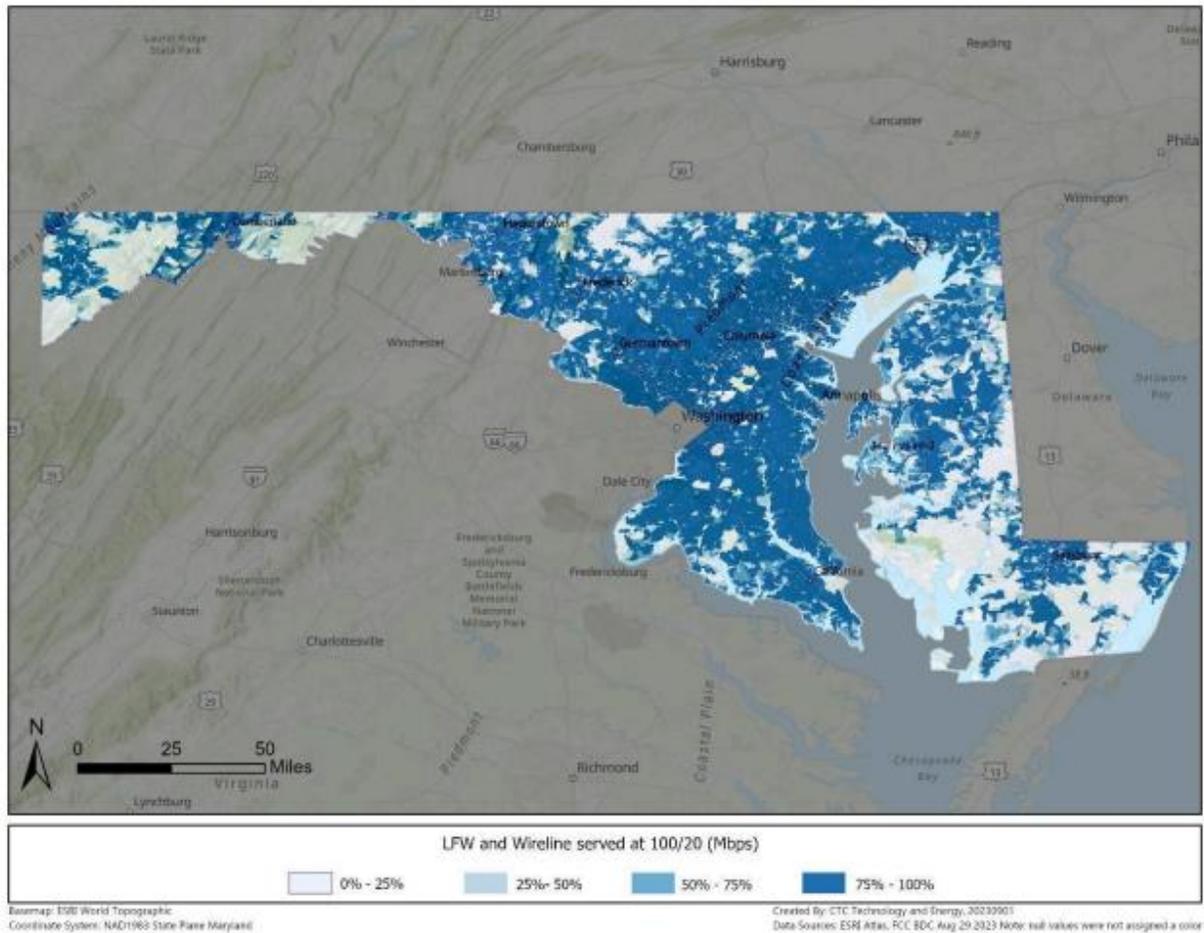
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Additional comprehensive research was completed for each of the above populations to determine the extent to which broadband internet services were available. The attached maps reflect available service for two different internet speeds throughout the state. In general, the largest service gaps exist in Western Maryland and the Eastern Shore.



Map 1 - Units Served at 25/3 Mbps

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**Map 2 - Units Served at 100/20 Mbps**

To address these digital divides, the OSB has implemented several funding programs such as:

- The Digital Inclusion Grant Program
- Connected Communities Grant Program
- Connected Devices Program
- Home Stretch - Public Housing Program
- Neighborhood Connect Broadband Grant Program
- Connect Maryland: Network Infrastructure Grant Program

These funding streams have distributed an estimated \$239 million in funding to date to meet the needs of unserved homes and businesses, particularly in the underserved areas of Western Maryland and the Eastern Shore.

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### **Describe the need for increased competition by having more than one broadband Internet service provider serve the jurisdiction.**

Competition is an essential component of any service delivery. The presence of multiple providers encourages efficiency, innovation, improved customer service, and lower prices for consumers.

The state is serviced by many providers including both national companies (e.g. Verizon and T-Mobile) and regional providers (e.g. Antietam Broadband, Point Broadband, etc.). Urban communities, in general, have more options between service providers whereas rural regions often are left just a handful of broadband providers. The recent expansion of '5G' internet services by several telephone providers, however, may provide additional options for rural communities.

During this Consolidated Plan period, the State's Office of Statewide Broadband will continue to work towards digital accessibility in rural communities which includes increasing service providers covering these underserved regions.

## **MA-65 Hazard Mitigation - 91.210(a)(5), 91.310(a)(3)**

### **Describe the jurisdiction's increased natural hazard risks associated with climate change.**

The effect of climate change on Maryland communities has increasingly become a priority in the region. [Research](#) completed by the University of Maryland has shown that climate change has already had a significant impact on the state through higher average temperatures, more frequent and longer heatwaves, milder winters and a longer growing season, more intense storms and flood, increased probability of summer drought, and saltwater intrusion in Chesapeake Bay communities.

Maryland has 3,190 miles of coastline. As a result, the state is highly susceptible to risks associated with both flooding and rising sea levels. The National Oceanic and Atmospheric Administration has estimated that sea levels in Maryland will rise approximately 1-2 feet by 2050 and levels may rise 4 or more feet by 2100. Rising sea levels frequently cause recurrent high tide flooding in low-lying coastal areas in Maryland. The City of Baltimore currently experiences 11 days of high tide flooding each year and it is projected to experience 50-155 days of high tide flooding in 2050. Any form of flooding can be harmful to a community. Flooding poses a serious safety risk for humans as well as potential damage to public infrastructure, housing, and businesses. Beyond flooding, rising sea levels can also impact the quality of many public infrastructure systems in coastal communities such as stormwater management systems, septic systems, and freshwater aquifers. Current land use and coastal development must then consider these sea level changes.

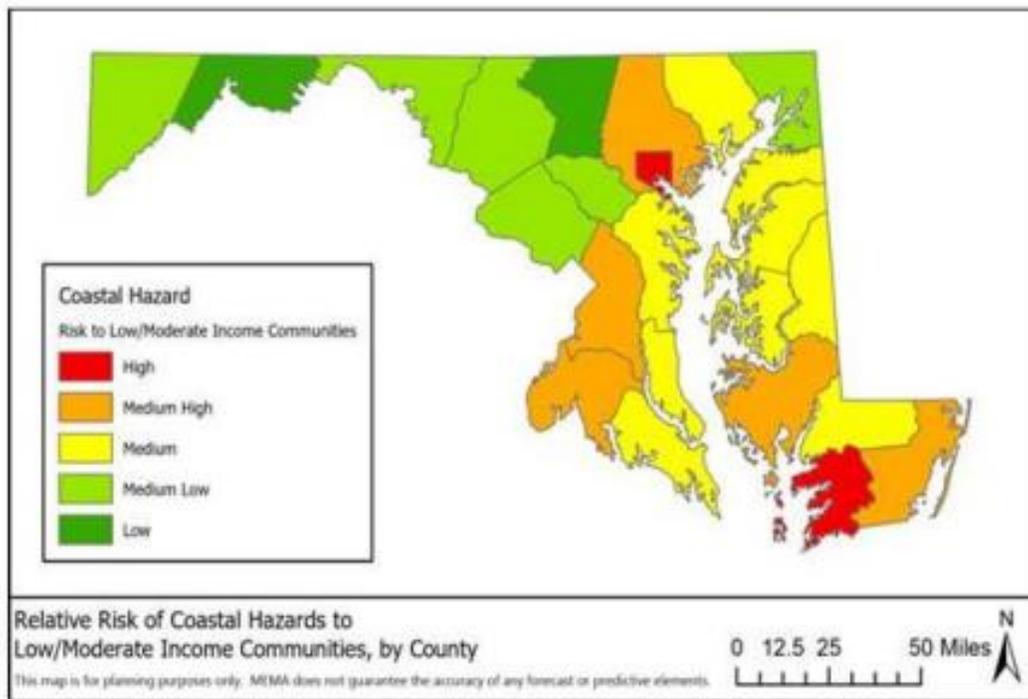
In 2021, the State of Maryland approved its most recent State Hazard Mitigation Plan. The plan helps to establish and maintain a consistent process to reduce or eliminate potential losses from future disasters (including those incurred as a result of climate change). In addition to the risks associated with flooding and rising sea levels, as discussed above, the Hazard Mitigation Plan also identifies other "climate hazards" created by climate change. These hazards include poor air quality (particularly in urban areas), intense rainfall, and contaminated soil and waterways.

### **Describe the vulnerability to these risks of housing occupied by low- and moderate-income households based on an analysis of data, findings, and methods.**

Low income households and their properties are most vulnerable to flooding out of any of the hazards discussed above including nuisance flooding, high tides, storm surges, or flooding from excessive rain or snow. Repairs and insurance for flood damage can be expensive and the failure to complete needed repairs could result in health and safety issues for occupants.

The below map reflects the risk to low income communities by county in Maryland.

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**Map 3 – Relative Risk of Coastal Hazards by County**

A single metric was created to display the relative risk rating of each hazard for low income communities in a given county. This was done by giving each hazard risk rating a numerical value based on a scale of 0-100 (where low equaled 20, medium low equaled 40, medium equaled 60, medium high equaled 80, and high equaled 100). The low income community data is the number of low income persons in each county expressed as the percentage of the total county population. The two values were then added to create a combined low income hazard risk rating on a scale of 0-200. A standard deviation calculator was used to divide the resulting set of county risk values for each hazard into five risk groups – low, medium low, medium, medium high, and high.

## **SP-05 Overview**

### **Strategic Plan Overview**

The Strategic Plan portion of the Consolidated Plan builds on the information presented in the Needs Assessment and Market Analysis sections to identify the priority needs of the State. DHCD identified seven goals and three priorities as a result of that information and the citizen consultation process.

The remaining sections of the Strategic Plan will provide additional information on the geographic distribution of federal funding throughout the state, the allocation priorities for each funding stream, and the anticipated resources for the next five year period.

## SP-10 Geographic Priorities – 91.315(a)(1)

### Geographic Area

Statewide

### General Allocation Priorities

**Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA)**

The State of Maryland will follow several different geographic allocations in respect to each of its five federal grant programs. Any use of funds will be limited to the non-entitlement jurisdictions within the state that do not receive direct funding from HUD. A list of each program's entitlement jurisdictions as well as maps illustrating their jurisdictions have been included below. These jurisdictions are thereby unable to receive additional federal funding in the same grant programs from DHCD (e.g. Baltimore County is a direct CDBG entitlement jurisdiction and cannot receive more CDBG funding from DHCD). In the instance of counties receiving federal funding, any municipality within that region is also not eligible to receive funding from DHCD unless said municipality has opted out of its local program. The known entitlement communities in Maryland include:

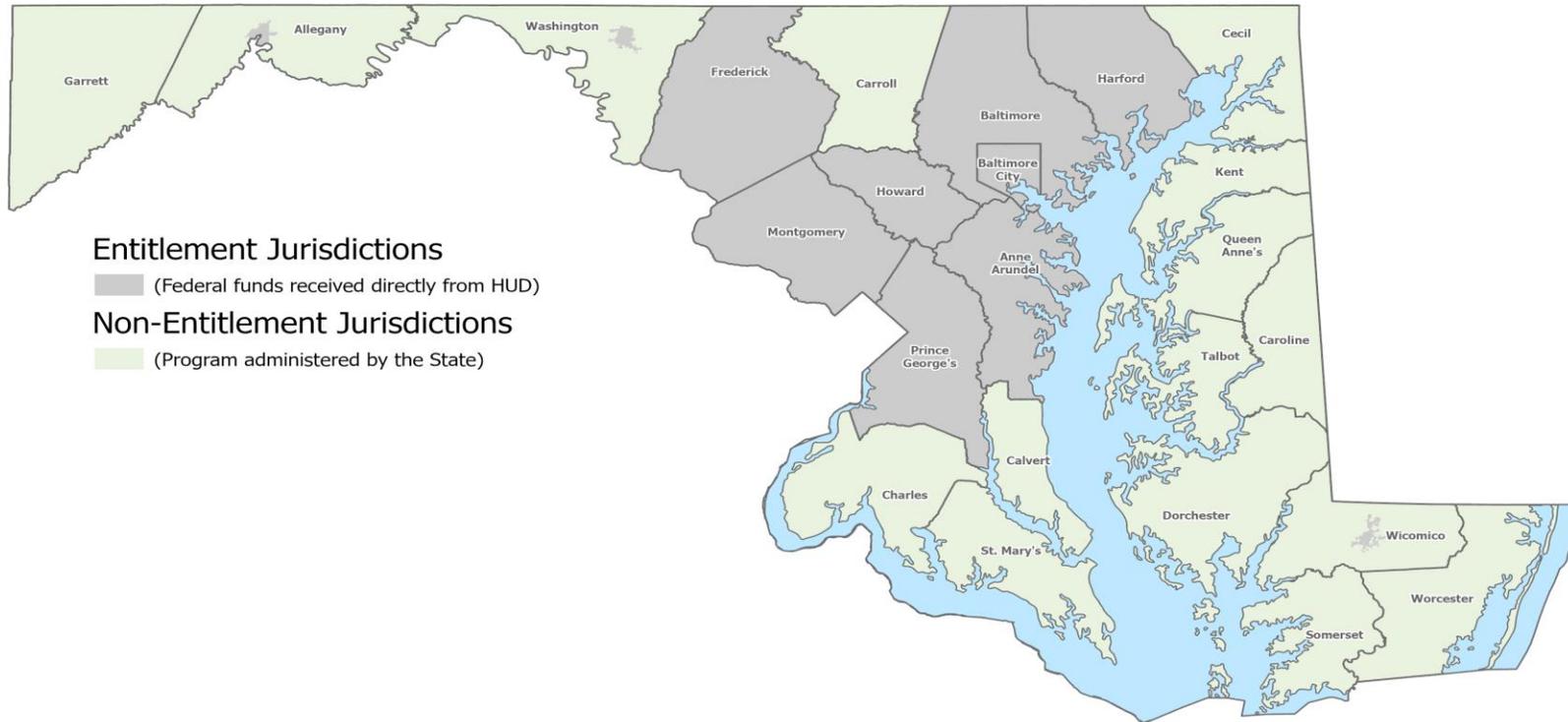
- **CDBG:** Anne Arundel County, Baltimore County, Frederick County, Harford County, Howard County, Montgomery County, Prince George's County, and the Cities of Annapolis, Baltimore, Bowie, Cumberland, Frederick, Gaithersburg, Hagerstown, and Salisbury.
- **ESG:** Anne Arundel County, Baltimore County, Montgomery County, Prince George's County, and the City of Baltimore.
- **HOME:** Anne Arundel County, Baltimore County, Harford County, Howard County, Montgomery County, Prince George's County, and the Cities of Baltimore and Hagerstown.
- **HOPWA:** The City of Baltimore
- **HTF:** No entitlement jurisdictions except the State of Maryland

In general, beyond these entitlement restrictions, federal funding can be utilized in any community in Maryland. Projects that are in various DHCD designated planning areas may receive additional preference in funding, particularly for the utilization of HOME or HTF funds. These planning areas include:

- [Certified Heritage Areas](#)
- [Sustainable Communities](#)
- [Empowerment Zones](#)
- [Federal or Maryland Enterprise Zones](#)
- [Main Street/Maple Street Maryland Communities](#)
- [Communities of Opportunity](#)
- [Priority Funding Areas](#)

Maps and information on of each of these areas have been linked above.

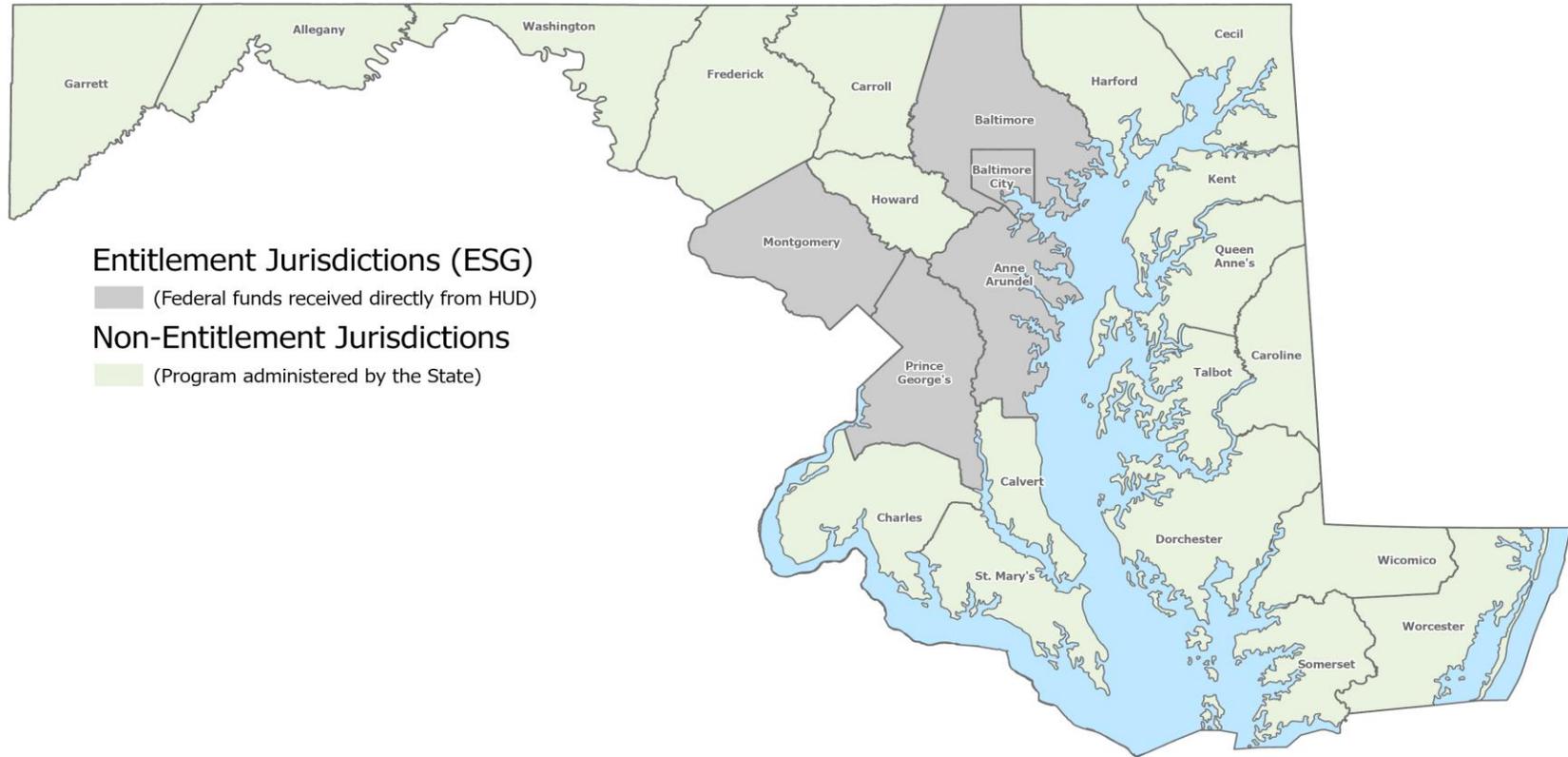
# Community Development Block Grants (CDBG) Entitlement Jurisdictions



Published Data: 03/20/2025

Map 4 - CDBG Entitlement Jurisdictions

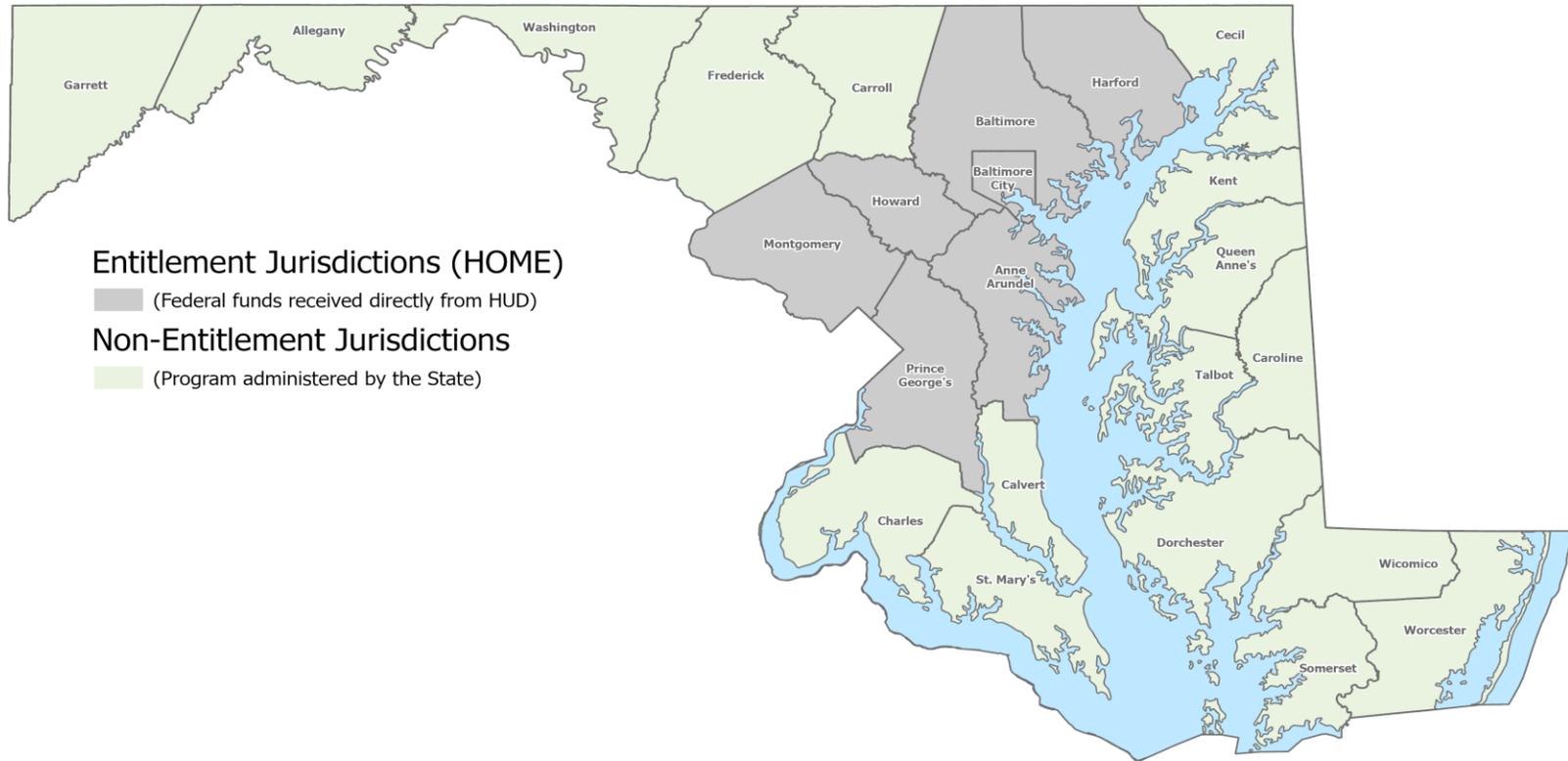
# Emergency Solutions Grant (ESG) Entitlement Jurisdictions



Published Data: 09/30/2024

Map 5 - ESG Entitlement Jurisdictions

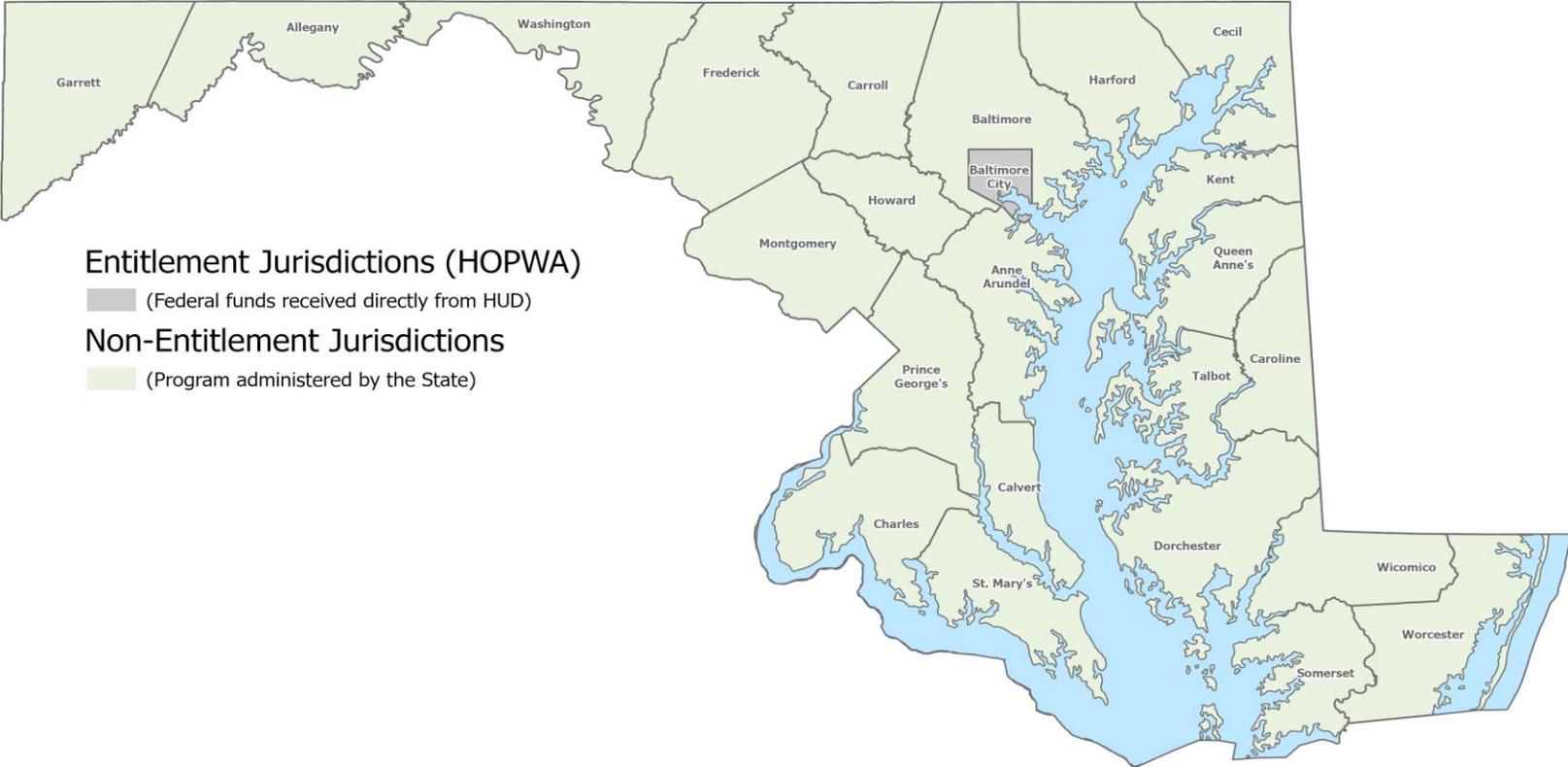
# The HOME Investment Partnerships Program (HOME) Entitlement Jurisdictions



Published Data: 09/30/2024

Map 6 - HOME Entitlement Jurisdictions

# Housing Opportunities for Persons with AIDS (HOPWA) Entitlement Jurisdictions



Published Data: 09/30/2024

Map 7 - HOPWA Entitlement Jurisdictions

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SP-25 Priority Needs – 91.315(a)(2)

Priority Needs

1	<b>Priority Need Name</b>	Rental Housing Needs
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Large Families Families with Children Elderly
	<b>Geographic Areas Affected</b>	Statewide
	<b>Associated Goals</b>	Attainable and Accessible Rental Housing
	<b>Description</b>	Promote the construction and rehabilitation of attainable and accessible multi-family rental housing for low-to-moderate income households.
	<b>Basis for Relative Priority</b>	Data from the State of Maryland's recent Housing Needs Assessment indicates a shortage of 275,000 affordable rental properties in the state. Additional information from the Consolidated Housing Affordability Strategy dataset also reveals that 42.2% renters are cost burdened.
2	<b>Priority Need Name</b>	Homeowner Housing Needs
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Large Families Families with Children Elderly
	<b>Geographic Areas Affected</b>	Statewide

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	<b>Associated Goals</b>	Sustainable and Quality Housing for Homeowners
	<b>Description</b>	Promote sustainable and quality housing for low income homeowners to preserve existing housing stock, particularly for seniors to age in place. Emphasis will be placed on the rehabilitation of single family owner-occupied properties as well as rental housing units.
	<b>Basis for Relative Priority</b>	Data from the State of Maryland's recent Housing Needs Assessment indicates a shortage of available properties for purchase in the state, particularly for homeowners earning between 80-120% of the Area Median Income. Additional information from the Consolidated Housing Affordability Strategy dataset also reveals that 20.6% of homeowners are cost burdened.
<b>3</b>	<b>Priority Need Name</b>	Homelessness Prevention
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Large Families Families with Children Elderly Rural Chronic Homelessness Individuals Families with Children Chronic Substance Abuse Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth
	<b>Geographic Areas Affected</b>	Statewide
	<b>Associated Goals</b>	Homelessness Prevention Supportive Housing Assistance for At-Risk Citizens
	<b>Description</b>	Reducing the risk of homelessness through street outreach, rapid re-housing, emergency shelters, rental assistance, and other stabilization services for households that are either at-risk of homelessness, unsheltered, or residing in a shelter. Homelessness prevention remains a high priority in light of rising housing costs and inflation.

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	<b>Basis for Relative Priority</b>	The 2024 Point in Time count indicated that on any given night there are 4,586 households and 6,069 persons experiencing homelessness in Maryland.
4	<b>Priority Need Name</b>	Infrastructure and Public Facilities Improvements
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Middle Non-housing Community Development
	<b>Geographic Areas Affected</b>	Statewide
	<b>Associated Goals</b>	Viable Infrastructure and Public Facilities
	<b>Description</b>	Improvements to various aging or inadequate public facilities or infrastructures across communities in the state.
	<b>Basis for Relative Priority</b>	The public needs survey completed as part of the consultation process of the Consolidated Plan provided the opportunity for respondents to rank the need for various community development areas in their communities. Public infrastructure and facilities consistently ranked as a priority need among respondents.
5	<b>Priority Need Name</b>	Public Service Needs
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Non-housing Community Development
	<b>Geographic Areas Affected</b>	Statewide
	<b>Associated Goals</b>	Accessible Public Services
	<b>Description</b>	Assistance for various local public service providers for programs ranging from childcare, healthcare, and senior services.

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	<b>Basis for Relative Priority</b>	The public needs survey completed as part of the consultation process of the Consolidated Plan provided the opportunity for respondents to rank the need for various community development areas in their communities. Public services consistently ranked as a priority need among respondents.
6	<b>Priority Need Name</b>	Administration and Planning Needs
	<b>Priority Level</b>	Low
	<b>Population</b>	Extremely Low Low Moderate Middle Non-housing Community Development
	<b>Geographic Areas Affected</b>	Statewide
	<b>Associated Goals</b>	Increased Local Planning and Capacity Building
	<b>Description</b>	Assistance for planning activities including community planning and capacity building for organizations that are critical to implement projects and activities.
	<b>Basis for Relative Priority</b>	The public needs survey completed as part of the consultation process of the Consolidated Plan provided the opportunity for Units of General Local Government (UGLG) to rank the need for various community development areas in their communities. Many UGLGs indicated a need for further assistance in technical planning.

**Table 61 – Priority Needs Summary**

**SP-30 Influence of Market Conditions – 91.315(b)**

**Influence of Market Conditions**

<b>Affordable Housing Type</b>	<b>Market Characteristics that will influence the use of funds available for housing type</b>
Tenant Based Rental Assistance (TBRA)	As discussed in the MA-15 section of this report, Maryland currently has a shortage of affordable housing available for extremely low and very low income households. Table 42 highlights the current housing affordability conditions in the region. The lack of available and affordable housing units directly influences the usage of grant funds to provide tenant-based rental assistance for both homeless and non-homeless special needs populations.
TBRA for Non-Homeless Special Needs	As discussed in the MA-15 section of this report, Maryland currently has a shortage of affordable housing available for extremely low and very low income households. Table 42 highlights the current housing affordability conditions in the region. The lack of available and affordable housing units directly influences the use of grant funds to provide tenant-based rental assistance for both homeless and non-homeless special needs populations.
New Unit Production	Section MA-10 of this report discusses the current renter and homeowner housing shortfall in Maryland. Recent estimates indicate that there is a shortage of 275,000 housing units in the state.
Rehabilitation	Section MA-20 of this report discusses the conditions of existing housing stock in Maryland. Many of the housing units in the region were constructed prior to 1979 and the age of these units indicate the potential need for various rehabilitation strategies to preserve the integrity of the units.
Acquisition, including Preservation	Data from the National Housing Preservation Database indicate that there are 2,342 publicly supported rental homes needing preservation assistance in the next five years.

**Table 62 – Influence of Market Conditions**

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**SP-35 Anticipated Resources - 91.315(a)(4), 91.320(c)(1,2)**

**Introduction**

The State of Maryland anticipates receiving a cumulative \$103,264,542.70 in federal funding between the CDBG, ESG, HOME, HOPWA, and HTF programs for program years 2025 to 2029. The distribution of these estimated awards between each program is detailed in Table 63 below. The Consolidated Plan process requires grantees to estimate funding allocations for a five year period, however, grant awards are awarded on an annual basis and total allocations/program income/prior year resources frequently change from year to year. As a result, DHCD has elected to assume level federal funding and program income across all the program years with no prior year resources (except in year 1). Future Annual Action Plans will provide a more accurate reflection of actual grant allocations, program income, and prior year resources.

**Anticipated Resources**

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
<b>CDBG</b>	Public - Federal	Acquisition, Admin and Planning, Economic Development, Housing, Public Improvements, Public Services	\$7,416,560.00	\$325,000.00	\$0.00	\$7,741,560.00	\$30,966,240.00	The estimated annual allocations for 2025-2029 are based on level funding for the remaining 4 years of the plan.

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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
<b>HOME</b>	Public - Federal	Acquisition, Homebuyer Assistance, Homeowner Rehab, Multifamily Rental New Construction, Multifamily Rental Rehab, New Construction for Ownership, TBRA	\$6,083,880.39	\$1,500,000.00	\$12,534,669.83	\$20,118,550.22	\$30,335,521.56	<p>The estimated annual allocations for 2025-2029 are based on level funding for the remaining 4 years of the plan.</p> <p>Prior year resources include unexpended funds from previous program years.</p>

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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
<b>HOPWA</b>	Public - Federal	Permanent Housing in Facilities, Permanent Housing Placement, Short Term or Transitional Housing Facilities, STRMU, Supportive Services, TBRA	\$2,490,010.00	\$0.00	\$927,783.00	\$3,417,793.00	\$9,960,040.00	<p>The estimated amounts are annual allocations. The rural HOPWA program will not be funded per HUD formula changes beginning in FFY26.</p> <p>Prior year resources include unexpended funds from Program Years 2020 to 2023.</p>

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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
<b>ESG</b>	Public - Federal	Conversion and Rehab for Transitional Housing, Financial Assistance, Overnight Shelter, Rapid Re-housing (Rental Assistance), Rental Assistance Services, Transitional Housing	\$1,243,147.00	\$0.00	\$123,836.11	\$1,366,983.11	\$4,972,588.00	<p>The estimated annual allocations for 2025-2029 are based on level funding for the remaining 4 years of the plan.</p> <p>Prior year resources include unexpended funds from Program Year 2023.</p>

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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
<b>HTF</b>	Public - Federal	Acquisition, Admin and Planning, Homebuyer Assistance, Multifamily Rental New Construction, Multifamily Rental Rehab, New Construction for Ownership	\$3,419,311.15	\$0.00	\$5,428,249.00	\$8,847,560.15	\$13,677,244.60	<p>The estimated annual allocations for 2025-2029 are based on level funding for the remaining 4 years of the plan.</p> <p>Prior year resources include unexpended funds from previous program years.</p>

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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
<b>Continuum of Care</b>	Public - Federal	Overnight Shelter, Rapid Re-Housing (Rental Assistance), Supportive Services, TBRA	\$8,663,478.00	\$0.00	\$3,608,015.49	\$12,271,493.49	\$34,653,912.00	<p>The estimated annual allocations for 2025-2029 are based on level funding for the remaining 4 years of the plan.</p> <p>Prior year resources include unexpended funds from previous program years.</p>

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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
LIHTC	Public - Federal	Acquisition Housing Multifamily rental new construction Multifamily rental rehab	\$17,000,000.00	\$0.00	\$0.00	\$17,000,000.00	\$68,000,000.00	The estimated annual allocations for 2025-2029 are based on level funding.

Table 63 - Anticipated Resources

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied.**

Matching funds (2% administrative allowance) for programs such as CDBG, HOME, and ESG are provided by the State of Maryland through state general funds. The HOME matching requirement is met through the Rental Allowance Program which provides short term rental assistance to persons who are either homeless or at risk of homelessness. The Maryland Department of Health leverages the Ryan White Part B program to complement the HOPWA program.

Beyond the five HUD formula grant programs, DHCD also receives and allocates Federal Low Income Housing Tax Credit (LIHTC) for the development of affordable housing. LIHTC funds are frequently awarded jointly with either HOME or HTF funds.

**If appropriate, describe publicly owned land or property located within the state that may be used to address the needs identified in the plan.**

Maryland’s Department of Housing and Community Development does not own public land or properties that may be used to address needs

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identified in the plan.

**SP-40 Institutional Delivery Structure – 91.315(k)**

Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions.

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
Maryland Department of Housing and Community Development	Government	Economic Development, Homelessness, Non-Homeless Special Needs, Ownership, Planning, Public Housing, Rental, Neighborhood Improvements, Public Facilities, Public Services	Statewide
Maryland Department of Health and Mental Hygiene	Government	Homelessness	Statewide

**Table 64 - Institutional Delivery Structure**

**Assess of Strengths and Gaps in the Institutional Delivery System**

The institutional delivery system in Maryland has a strong history of project delivery for affordable and safe housing for all residents. As noted in other sections of this report, DHCD has built long-standing partnerships with other State of Maryland departments (such as the Maryland Department of Disabilities and Maryland Department of Health) to ensure that all populations receive assistance and access to quality housing. The Maryland Department of Health serves as the primary administrator of the HOPWA program and the department has strengthened its delivery of services by integrating HOPWA with its Ryan White services program. This allows the agency to provide more concise health outcomes, address social determinants of health, draw on the expertise of a variety of providers, and use funds more efficiently.

DHCD has also built a network in the affordable housing community with housing developers and other non-profit organizations. This dynamic has allowed DHCD to finance the development of numerous targeted housing projects throughout the state, including many designated specifically for low income households.

In 2024, DHCD elevated its homeless solutions program into a stand-alone division. This elevation of services emphasized DHCD’s commitment to assisting all residents in Maryland. The Division of

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Homeless Solutions utilizes a wide network of partners (through Continuums of Care and other committees) to provide numerous wraparound services as detailed in the table below.

While no significant gaps exist in the institutional delivery system, there are always opportunities for improvement. During this Consolidated Plan period, DHCD will focus on its continued efforts to widen its collaborative efforts with new partners across all regions of the state.

**Availability of services targeted to homeless persons and persons with HIV and mainstream services**

<b>Homelessness Prevention Services</b>	<b>Available in the Community</b>	<b>Targeted to Homeless</b>	<b>Targeted to People with HIV</b>
<b>Homelessness Prevention Services</b>			
Counseling/Advocacy	X	X	
Legal Assistance	X	X	
Mortgage Assistance	X	X	
Rental Assistance	X	X	
Utilities Assistance	X	X	
<b>Street Outreach Services</b>			
Law Enforcement	X	X	
Mobile Clinics	X	X	
Other Street Outreach Services	X	X	
<b>Supportive Services</b>			
Alcohol & Drug Abuse	X	X	X
Child Care	X	X	X
Education	X	X	X
Employment and Employment Training	X	X	X
Healthcare	X	X	X
HIV/AIDS	X	X	X
Life Skills	X	X	X
Mental Health Counseling	X	X	X
Transportation	X	X	X
<b>Other</b>			
Other			

**Table 65 - Homeless Prevention Services Summary**

**Describe the extent to which services targeted to homeless person and persons with HIV and mainstream services, such as health, mental health and employment services are made available to and used by homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families and unaccompanied youth) and persons with HIV within the jurisdiction**

Hundreds of homeless service providers across the state of Maryland offer emergency shelter or housing stabilization resources such as street outreach, emergency shelter and rental assistance programs to persons and households experiencing or at risk of homelessness. Fair Housing laws encourage programs to adopt low barrier practices that allow those in need to access services with minimal challenges. While shelters targeting persons with HIV are not prevalent in the region, these individuals are still able to access general homeless service resources.

Homeless service providers range from non-profit organizations to government entities such as local Departments of Health or Behavioral Health Organization. These providers can provide housing stabilization services through the lens of their programs to include case management and wrap around services. This increases access to employment and education training support, medical and behavioral health resources as well as providing referrals to other essential community partners.

**Describe the strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above**

Agencies that support populations with special needs frequently partner with local service providers to layer support. For example, a local Department of Behavioral Health would partner with a housing provider to navigate the process of gaining housing stability with a mental health barrier. Similarly, a rental assistance program may partner with the local Department of Aging to support a resident age in place and maintain housing with supplemental resources. These partnerships are occurring in numerous jurisdictions to address homelessness in their communities. While these partnerships exist, clear pathways to initial access can be improved.

**Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs**

The partnership approach to service mentioned previously supports a 'no wrong door' approach emphasized specifically through the Balance of State. This approach supports increased access to services by training service providers to implement a coordinated entry process that assesses and pairs individuals and households with the services they need in an organized and efficient manner. The coordinated entry assessment identifies the level of support required to obtain or maintain housing stability. This process helps to ensure households in need of short term rental assistance, for example, are able to be linked with rental assistance providers instead of remaining in queue for more extensive permanent supportive housing resources with longer wait time, that they do not need.

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**SP-45 Goals Summary – 91.315(a)(4)**

**Goals Summary Information**

(Note: more information on the ‘Other’ Goal Outcome Indicators is included in each individual goal’s description following Table 66. The funding allocations included in Table 66 below do not include the prior year resources reported in SP-35 as those funds were previously designated for prior Consolidated Plan goals.)

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
<b>1</b>	Attainable and Accessible Rental Housing	2025	2029	Affordable Housing	Statewide	Rental Housing Needs	CDBG: \$5,419,092.00 HOME: \$28,818,745.48 HTF: \$17,096,555.75	Rental Units Constructed: 547 Household Housing Unit  Rental Units Rehabilitated: 333 Household Housing Unit  Other: 45 Other (Rental housing units funded)
<b>2</b>	Sustainable and Quality Housing for Homeowners	2025	2029	Affordable Housing	Statewide	Homeowner Housing Needs	CDBG: \$3,870,780.00 HOME: \$7,583,880.39	Homeowner Housing Rehabilitated: 125 Household Housing Unit  Direct Financial Assistance to Homebuyers: 75 households assisted

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Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	Homelessness Prevention	2025	2029	Homeless	Statewide	Homelessness Prevention	CDBG: \$4,257,858.00 ESG: \$3,605,127.00 HOPWA: \$2,593,520.00	Tenant-Based Rental Assistance/Rapid Rehousing: 5,925 Households Assisted  Homeless Person Overnight Shelter: 300 Persons Assisted  Overnight/Emergency Shelter/Transitional Housing Beds Added: 8,335 Beds  Housing for Homeless Added: 10 Household Housing Unit  Other: 8,690 Other (Households assisted through homelessness prevention)

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Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
<b>4</b>	Supportive Housing Assistance for At-Risk Citizens	2025	2029	Homeless Non-Homeless Special Needs Non-Housing Community Development	Statewide	Homelessness Prevention	HOPWA: \$9,856,530.00  ESG: \$2,610,608.00	Tenant-Based Rental Assistance/Rapid Rehousing: 533 Households Assisted  Homeless Person Overnight Shelter: 8,335 Persons Assisted  Homelessness Prevention: 210 Persons Assisted  Other: 743 Other (Households assisted through supportive services)
<b>5</b>	Viable Infrastructure and Public Facilities	2025	2029	Non-Housing Community Development	Statewide	Infrastructure and Public Facilities Improvements	CDBG: \$23,224,680.00	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 60,000 Persons Assisted  Buildings Demolished: 5 Buildings

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<b>Sort Order</b>	<b>Goal Name</b>	<b>Start Year</b>	<b>End Year</b>	<b>Category</b>	<b>Geographic Area</b>	<b>Needs Addressed</b>	<b>Funding</b>	<b>Goal Outcome Indicator</b>
<b>6</b>	Accessible Public Services	2025	2029	Non-Housing Community Development	Statewide	Public Service Needs	CDBG: \$1,161,234.00	Public Service Activities for Low/Moderate Income Housing Benefit: 100 Households Assisted  Homelessness Prevention: 200 Persons Assisted
<b>7</b>	Increased Local Planning and Capacity Building	2025	2029	Non-Housing Community Development	Statewide	Administration and Planning Needs	CDBG: \$774,156.00 HOME: \$1,516,776.08	Other: 20 Other (15 jurisdictions assisted and 5 CHDOs assisted)

**Table 66 – Goals Summary**

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**Goal Descriptions**

<b>1</b>	<b>Goal Name</b>	Attainable and Accessible Rental Housing
	<b>Goal Description</b>	<p>This goal supports funding for activities that either construct or rehabilitate multi-family rental housing development projects that increase the supply of affordable housing opportunities, especially for extremely-low and/or low income households.</p> <p>During this Consolidated Plan period it is estimated the CDBG, HOME, and HTF programs will provide the following outcomes:</p> <ul style="list-style-type: none"> <li>• CDBG Program 2025-2029 Goal: Approximately 245 rental units constructed and 40 rental units rehabilitated for a total of 285 rental housing units.</li> <li>• HOME Program 2025-2029 Goal: Approximately 261 multi-family rental units constructed and 227 multi-family rental units rehabilitated for a total of 488 rental housing units.</li> <li>• HTF Program 2025-2029 Goal: Approximately 41 rental units constructed and 66 rental units rehabilitated for a total of 107 rental housing units. An additional 45 rental units will be funded during this period, however, these units will not be constructed during this Consolidated Plan period.</li> </ul>
<b>2</b>	<b>Goal Name</b>	Sustainable and Quality Housing for Homeowners
	<b>Goal Description</b>	<p>This goal supports funding for projects that encourage and preserve homeownership among low income citizens through direct homebuyer assistance and homeowner single-family rehabilitation (with an emphasis on rehabilitations that allow elderly homeowners to age in place).</p> <p>During this Consolidated Plan period it is estimated the CDBG and HOME programs will provide the following outcomes:</p> <ul style="list-style-type: none"> <li>• CDBG 2025-2029 Goal: Rehabilitation of 100 single family homeowner properties and direct financial assistance to 75 households.</li> <li>• HOME 2025-2029 Goal: Rehabilitation of 25 single family homeowner properties.</li> </ul>

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<b>3</b>	<b>Goal Name</b>	Homelessness Prevention
	<b>Goal Description</b>	<p>This goal supports funding for projects and activities that prevent homelessness through eviction prevention, diversion, renter rights outreach and education, and landlord compliance with fair housing and civil rights laws.</p> <p>During this Consolidated Plan period it is estimated the CDBG, ESG, and HOPWA programs will provide the following outcomes:</p> <ul style="list-style-type: none"> <li>• CDBG Program 2025-2029 Goal: Approximately 300 persons assisted through overnight shelters and 10 housing units added for homeless households.</li> <li>• ESG Program 2025-2029 Goal: Approximately 5,925 households assisted through rapid re-housing, 8,335 beds provided for emergency shelter, and 8,690 households assisted through homelessness prevention activities.</li> <li>• HOPWA Program 2025-2029 Goal: Approximately 130 households assisted through homeless prevention activities.</li> </ul>
<b>4</b>	<b>Goal Name</b>	Supportive Housing Assistance for At-Risk Citizens
	<b>Goal Description</b>	<p>This goal supports funding for projects and activities that provide supportive housing opportunities for people experiencing homelessness, persons with special needs such as HIV/AIDS, and other vulnerable populations. These supportive housing opportunities may include, but are not limited to: rental assistance, supportive services, permanent housing programs, and short-term rent, mortgage, and utility (STRMU) assistance.</p> <p>During this Consolidated Plan period it is estimated the ESG and HOPWA programs will provide the following outcomes:</p> <ul style="list-style-type: none"> <li>• ESG Program 2025-2029 Goal: Approximately 8,335 homeless persons assisted through overnight shelter activities.</li> <li>• HOPWA Program 2025-2029 Goal: Approximately 533 persons with HIV/AIDSs assisted through Tenant-Based Rental Assistance, 210 individuals assisted through various homeless prevention activities, and 743 individuals assisted through varied supportive services.</li> </ul>

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5	<b>Goal Name</b>	Viable Infrastructure and Public Facilities
	<b>Goal Description</b>	<p>This goal supports funding for the development of viable infrastructure and public facilities that improve the quality of life for Marylanders and encourage economic development. These types of projects will support regional community revitalization efforts and may include, but are not limited to: slum and blight removal, water and sewer improvements, road and street improvements, improvements to parks, community centers, and other recreation facilities, and the acquisition and development of public and private facilities to create more sustainable communities.</p> <p>During this Consolidated Plan period it is estimated the CDBG program will provide the following outcomes:</p> <ul style="list-style-type: none"> <li>• CDBG Program 2025-2029 Goal: Approximately 60,000 persons assisted through various public infrastructure or public facilities improvements and 5 blighted buildings demolished.</li> </ul>
6	<b>Goal Name</b>	Accessible Public Services
	<b>Goal Description</b>	<p>This goal supports funding for projects and activities that support local partners in providing resources to address community and economic development needs in areas like job creation, senior services, youth services, job training, and food banks.</p> <p>During this Consolidated Plan period it is estimated the CDBG program will provide the following outcomes:</p> <ul style="list-style-type: none"> <li>• CDBG Program 2025-2029 Goal: Approximately 100 households assisted through housing related public services and 200 persons assisted through various homeless prevention public service activities.</li> </ul>
7	<b>Goal Name</b>	Increased Local Planning and Capacity Building
	<b>Goal Description</b>	<p>This goal supports funding for projects and activities that provide resources and technical assistance to local jurisdictions to develop planning efforts that improve living environments and strengthen economic and community development.</p> <p>During this Consolidated Plan period it is estimated the CDBG and HOME programs will provide the following outcomes:</p> <ul style="list-style-type: none"> <li>• CDBG Program 2025-2029 Goal: Approximately 15 jurisdictions will be assisted through various planning and capacity building activities.</li> <li>• HOME Program 2025-2029 Goal: Approximately 5 CHDOs will be assisted through various planning and capacity building activities.</li> </ul>

**Table 67 – Goal Descriptions**

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### **Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)**

The HOME Program will provide affordable housing to approximately 261 units of rental housing, 25 units of single family homeowner rehabilitation/reconstruction, 3 acquisition/rehab/resale to homebuyers and 2 technical assistance loans within the next 5 years (FFY 2025 - 2029).

HOME funds are available for affordable housing projects benefitting households earning up to 80% Area Median Income. An exact estimate of the amount of extremely low, very low, and low income households that will receive HOME funds is difficult to provide as DHCD does not utilize set-asides for each specific income category. During the previous Consolidated Plan period (Program Years 2020-2024), HOME funds assisted 20 extremely low income households, 98 very low income households, and 4 low income households. DHCD estimates that a similar distribution will occur during this Consolidated Plan period.

**SP-50 Public Housing Accessibility and Involvement – 91.315(c)**

**Need to Increase the Number of Accessible Units (if Required by a Section 504 Voluntary Compliance Agreement)**

Not applicable.

**Activities to Increase Resident Involvements**

Not applicable.

**Is the public housing agency designated as troubled under 24 CFR part 902?**

No.

**Plan to remove the ‘troubled’ designation**

Not applicable.

## SP-55 Barriers to Affordable Housing – 91.315(h)

### Barriers to Affordable Housing

Public policy can often create adverse or negative effects on residents or communities. The impacts of these policies can be either intentional or an unintended consequence. In general, most public policy involving affordable housing or residential investment is enacted at the local level (either by municipal or county governments). Common types of public policy that may create negative effects on affordable housing and residential investment include:

- **Local Zoning and Land Use Policies:** Local governments are the primary authorities in regulating the use of land within its jurisdiction. Many local governments favor the usage of single-family zoning designations which limits the ability of housing developers to construct higher density housing units that may better address regional housing shortages. Local governments also tend to concentrate zoning tracts where multifamily housing units can be constructed on the periphery of jurisdictions which is often removed from access to transportation, employment, or educational opportunities. The adoption of other local land use policies such as lot sizes, property setbacks, and building height restrictions can present additional barriers to affordable housing development and discourage the construction of higher density units.
- **Limitations on Single Family Housing:** Many local jurisdictions do not currently authorize the use of alternative housing types that may expand the density of single family homes. The availability of Accessory Dwelling Units (ADU) is extremely limited in the region and only a handful of counties allow ADUs.
- **Administrative and Processing Burdens:** The permitting, reviewing, and approval process for housing developments can be costly and time consuming. Affordable housing projects (particularly those targeting extremely low income households) often face more distinct financial and time constraints compared to market-rate development. This is partly due to the smaller return on investment income-targeted housing can generate for a developer unlike market-rate housing. As a result, excessive permitting and other administrative requirements can sometimes render an affordable housing project unfeasible. These requirements may include consultations with stakeholders, public hearings, architectural plans, market analysis, environmental analysis, site surveys and/or traffic impact studies. Historic preservation conditions may also be required for developers seeking to construct or rehabilitate in downtown areas or older neighborhoods. The more administrative or processing requirements that a developer must undertake prior to construction ultimately delays housing availability and worsens existing housing shortages.
- **Legacy of Historic Public Policy:** Historic practices such as redlining and segregation have frequently culminated in a concentration of poverty in urban areas.
- **Insufficient Resources:** Maryland's affordable housing needs exceed the amount of available resources at the local, state, and federal levels. The average cost for a housing development has risen dramatically in the years following the onset of the Covid-19 pandemic. Labor shortages and increased material costs (particularly with lumber) have created new financial constraints

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for housing developers. Local municipalities have also struggled to identify resources that would correct insufficient public infrastructure necessary to support additional housing.

- **Political Will/Public Opinion:** Many housing developments face significant opposition from local communities over concerns about increased density, parking, school conditions, and other perceived fears. Public opposition to new housing developments is found in every community, but there is a particular concentration of opposition in more suburban areas. While these opinions may actually represent a minority of residents in a community, vocal and consistent opposition can often influence elected officials to deny affordable housing developments or other financial incentives.

### **Strategy to Remove or Ameliorate the Barriers to Affordable Housing**

Over the next five years, DHCD is committed to removing or ameliorating barriers towards affordable housing. The department has recently partnered with the Maryland Department of Planning to identify local opportunities to update zoning or other land use policies that may discourage the construction of higher density units. DHCD will also continue to provide funding to eligible developers for the rehabilitation or construction of affordable housing to address the current shortage of units.

## **SP-60 Homelessness Strategy – 91.315(d)**

### **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

In general, the State primarily reaches out to persons experiencing homelessness, including those living in unsheltered locations, through the Continuum of Care (CoC) network. There are ten CoCs in Maryland including the Maryland Balance of State, a DHCD-managed CoC composed of nine Maryland counties.

DHCD provides both State funding and ESG funding to over 40 street outreach programs, drop-in centers, and emergency shelters. These programs provide immediate crisis stabilization services and case management to assist households with their housing and service needs and address housing barriers. This funding also supports assessments for Coordinated Entry which allows persons experiencing homelessness to both gain access to permanent housing resources and connections to community-based services such as mental health treatment, substance use treatment, food and basic needs resources, education and workforce development services, and other affordable housing opportunities.

Local CoCs and service providers often utilize State and ESG funding to support outreach efforts such as regional Point-in-Time Counts and Homeless Resource Days, expanding geographic coverage for services, recruitment of outreach staff and volunteers, and the provision of incentives to encourage persons experiencing homelessness to complete surveys or Coordinated Entry assessments.

Beyond funding, DHCD coordinates closely with a variety of State agencies and community partners to:

- Share information about available housing and services across Maryland;
- Ensure that people experiencing homelessness know where and how to access the Coordinated Entry System; and,
- Provide support to persons being discharged from institutional settings in the event a person needs emergency shelter immediately at exit.

Local outreach through regional health departments provides additional assistance for persons living with HIV/AIDS. Clients receiving Ryan White services or clients accessing homeless services through DHCD are regularly educated about HOPWA program benefits.

### **Addressing the emergency and transitional housing needs of homeless persons**

In an effort to reduce barriers to shelter for people experiencing unsheltered homelessness, DHCD has provided local CoCs and homeless shelters with the following trainings:

- National Alliance to End Homelessness Emergency Shelter Learning Series
- Low-Barrier Shelter practices
- Clinical social work training on harm reduction strategies

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DHCD allocates 29% of ESG funds and 32% of State general funds to operating and service costs for emergency shelter. The continued support for emergency crisis beds while expanding rapid rehousing and other permanent housing options is key to ensuring that unsheltered homelessness is reduced throughout the state. DHCD requires all shelters to be low barrier and Housing-First oriented with accessibility to households of all types and family compositions (such as unaccompanied youth, veterans, domestic violence survivors, and people who are LGBTQ+). Local CoCs assess shelter needs and identify shelter inventory gaps each year in funding applications.

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.**

DHCD primarily supports homeless persons transitioning into permanent housing through the use of rapid rehousing funding. Rapid rehousing is considered a best practice model for helping individuals and families transition quickly out of homelessness and into independent, community-based permanent housing. The goal of the practice is centered on the use of housing relocation, stabilization services or short-term rental assistance to “re-house” individuals or families living in shelters or other unsheltered situations. Providers can use funds to assist with short-term rental assistance, rental arrears, rental application fees, security and utility deposits, utility payments, moving costs, and a range of other services such as credit repair. DHCD encourages the use of rapid rehousing for chronically homeless households or unaccompanied youth.

In an effort to increase the effectiveness and capacity of ESG funded rapid rehousing, DHCD supports local CoCs in:

- Implementing progressive engagement models
- Increasing connections between the homeless and workforce systems to increase employment opportunities for people in rapid rehousing
- Building the capacity of Coordinated Entry to quickly match households to permanent housing opportunities and, when necessary, help them transition into permanent supportive housing to avoid becoming homeless again
- Encouraging providers to establish partnerships with subsidized housing in their communities to increase the availability of permanently affordable housing for households nearing the end of their rapid rehousing assistance.

The State of Maryland has also recently increased its assistance for homeless veterans through various Veterans Administration Grant and Per Diem (GPD) support. DHCD also allocates over \$1 million annually across the state to support programs specifically for unaccompanied homeless youth.

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**Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs**

DHCD regularly allocates ESG and State funds for preventive services to help eligible individuals and families avoid homelessness. These funds are available for housing relocation, stabilization services, and short-term rental assistance. Eligible recipients can use the funding to assistance with rental arrears, rental application fees, security and utility deposits, utility payments, moving costs, and a range of other services such as credit repair. The goal of this funding is to ultimately allow individuals or families to achieve housing stability and prevent reentry into an emergency shelter or an unsheltered location.

The State and CoCs work collaboratively to establish strategies and tools for preventing discharges from publicly funded institutions and systems of care - strategies are carried out at both the local and state levels, depending on the system of care. The Maryland Interagency Council on Homelessness has healthcare and youth workgroups which have strategically worked in the past three years on policies and strategies to reduce patient discharges from hospitals to unsheltered settings, reducing the number of youth who age out of foster care and become homeless, and reduce the number of youth that exit juvenile and adult corrections into homelessness.

## **SP-65 Lead Based Paint Hazards – 91.315(i)**

### **Actions to address LBP hazards and increase access to housing without LBP hazards**

As discussed in the MA-20 section of this report, 55% of housing units available for rent or purchase in Maryland were constructed prior to the 1978 federal ban of lead based paint in residential dwellings. The presence of lead based paint in a housing unit presents a distinct health risk for any occupants, particularly households with children under the age of 6.

In 2015, the Maryland Reduction of Lead Risk Housing Law went into effect. The purpose of the legislation was to reduce the incidence of childhood lead poisoning while maintaining a stock of affordable rental housing. The legislation requires residential rental properties constructed prior to 1978 to register with the Maryland Department of the Environment and indicate whether lead based paint is present in the dwelling. Affected properties must follow a series of annual compliance standards.

DHCD currently offers funding to assist homeowners and landlords lessen the risk of lead poisoning through lead based paint while also preserving housing stock by reducing or eliminating lead based paint hazards. Eligible dwellings include owner-occupied residences, residential rental properties, and licensed residential childcare facilities. Funding is primarily provided to low income households or households located in targeted areas. Applicants must also register with the Maryland Department of the Environment Lead Poisoning Prevention Program.

### **How are the actions listed above integrated into housing policies and procedures?**

Any residential property that receives funding from the State of Maryland (including HUD formula grant funding) is required to provide documentation demonstrating it is either free of lead paint or currently undergoing lead paint abatement services. Compliance with this standard is determined during the application process for the CDBG, HOME, and HTF programs and confirmed during the environmental review.

## **SP-70 Anti-Poverty Strategy – 91.315(j)**

### **Jurisdiction Goals, Programs and Policies for Reducing the Number of Poverty-Level Families**

The State of Maryland remains committed to reducing the number of households living in poverty. The State's anti-poverty strategy is founded on the coordination of resources and strong partnerships at both the state and local levels. These efforts are targeted primarily at assisting individuals and families move from poverty to self-sufficiency by addressing the causes and conditions of poverty across the state.

DHCD administers the Community Services Block Grant (CSBG) program on behalf of the State. At least 90% of CSBG funding is distributed to the state's network of seventeen locally-designated Community Action Agencies (CAAs) for various anti-poverty programs. The remaining funds support training, technical assistance, communication, and coordination among the CAA network as well as DHCD administrative costs. A key component of the State's success has been in creating and maintaining these links and coordination at the state and local levels.

Local CAAs also participate on their various jurisdiction's workforce development boards to coordinate an effective delivery of employment and training programs. This effort fulfills the requirements under the federal Workforce Innovation and Opportunities Act. CAAs frequently assist in the implementation of a Two Generation/Whole Family Approach to service delivery whereby organizations work with local governments and nonprofit partners to ensure the coordination of safety net services (such as TANF or SNAP) and identify gaps in services so mutual clients are served effectively and efficiently.

### **How are the Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan**

DHCD's affordable housing plan and goals are clearly reflected in the various activities eligible for funding using the HUD formula grant programs. The housing programs administered by DHCD will work to improve access to affordable housing through both increasing the supply of affordable rental housing and improving homeownership opportunities for all residents.

**SP-80 Monitoring – 91.330**

**Describe the standards and procedures that the state will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements**

Please see the attached monitoring guidelines for each of the five formula grant programs.

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### CDBG Monitoring

Every CDBG grant is officially monitored at least once during the lifetime of the project. DHCD staff perform a risk analysis of each grant to determine when it should be monitored. Prior to monitoring, staff provides training and technical assistance to grantees to assist them with implementing their grant and how to comply with the various state and federal regulations. DHCD is responsible for the monitoring of all CDBG funded projects.

Monitoring of planning grants is accomplished through a desk monitoring in which grantees submit a completed checklist and supporting documentation. All other CDBG grants are monitored through a visit to the grantee and review of the records on-site. Monitoring of a grantees' capacity to meet compliance, project performance and national objective requirements includes an assessment of the following:

- Overall CDBG management structure;
- Internal procedures and controls;
- Capacity to track projects and activities from the planning stage through applicable major milestones (e.g., release of funds, contract bid and award, etc.) to completion;
- Consistency of the implemented project with the approved plan (as reflected in the grant application, Grant Agreement, and any amendments);
- Capacity of the grantee (and/or its subrecipients, businesses or developers) to ensure compliance with the applicable programmatic and compliance requirements.

24 CFR 570.490 and 24 CFR 570.506 describe the Federal recordkeeping requirements in general terms. In addition, the Grant Agreement provides additional guidance to grantees on records to be maintained. At a minimum, the grantee's records must provide a full description of each activity assisted, including its location, the amount of funds budgeted, obligated and expended, and the category of eligible activity(ies) being undertaken (pursuant to Subpart C of 24 CFR 570). The records must also be sufficient to document compliance with all other applicable State and Federal requirements. Grantees must have the capacity to provide the various reports periodically required by DHCD, particularly those specified in Exhibit D of the Grant Agreement. The CDBG project records must be maintained for a period of five years after the close-out date of the State CDBG grant from HUD; in the event of litigation, claims, or other unresolved legal or audit issues, however, the five-year period is extended.

The on-site review typically will involve the following types of activities:

- Interview grantee's management, program, and administrative staff (and/or those of their subrecipients, as relevant).
- Inspect project sites, both for completed and on-going CDBG activities.
- Conduct a review of the project records.

DHCD staff must review the files of the grantee to determine whether adequate documentation is being maintained to show compliance with the applicable Federal and State laws, policies and requirements.

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This review will also include the files of a subrecipient, developer or business if applicable. In regard to the local record-keeping system, the Reviewer should, at a minimum, look for the following:

- The recordkeeping system should be divided into categories that logically correspond to the key components and compliance areas of the project (e.g., citizen participation, environment review, documentation of national objectives, etc.); it should be updated regularly, and maintained in an orderly manner.
- Files should be maintained by the grantee as the responsible party. The designated CDBG contact person is to ensure that any other parties involved with the grant provide copies of all relevant documents to be included in the “master files.” All CDBG files must be secure and safeguarded.
- The records must be easily accessible to appropriate and authorized grantee (or subrecipient) staff, as well as State and Federal officials or their designees (e.g., the files may not be kept in someone’s home or automobile).
- The files must contain adequate source documentation.

As part of their review, DHCD staff complete checklists to document their review and conclusions concerning projects and activities. A report is issued which discusses project progress and the grantee’s compliance or lack of compliance with required state and/or federal requirements. Staff may issue findings or matters of concern and provide the grantee with appropriate corrective action.

A written report is issued to the Chief Elected Official within 60 days of the visit. The report stipulates the required corrective actions and the time frame for completion. Follow up continues until all findings and matters of concern are adequately addressed and resolved.

All projects are considered “open” until they have been fully monitored and all issues are resolved. The State will issue a Close Out letter to the grantee when it has been formally closed. Grant files and records must be retained by the grantee for a five (5) year period after close out of the State’s grant by HUD.

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### ESG Monitoring

Continuums of Care (CoC) are required to conduct an annual risk analysis for each of the ESG-funded projects within their jurisdiction and complete monitoring for all projects that score at a “High” risk level, and a selection of projects that score at a “Medium” or “Low” risk level. CoCs utilize monitoring forms and exhibits developed by DHCD. Additionally, DHCD conducts internal risk assessments of awardees and sub-recipients and conducts independent monitoring visits of at minimum, 50% of awardees each fiscal year. Awardees are notified and monitoring visits are conducted on site at the program facility or via desk review if a site visit is not possible. HSP also reserves the right to conduct a compliance review at any time during the term of grant agreement.

DHCD monitoring reviews cover quality of facilities and services, financial statements, recordkeeping and client file review, compliance with Federal regulations, and adherence to program policies and procedures as detailed by HUD regulations for ESG. ESG nonprofit sub-recipients are also required to submit copies of their audited financial statements, conducted in accordance with the Single Audit Act if they expend more than \$750,000 of federal funds in a fiscal year. DHCD reviews sub-recipient expenditures and supporting documentation monthly and project performance data quarterly. After the monitoring review, awardees and sub-recipients receive a written response outlining any issues discovered during the review. Identified issues are broken into two categories, findings or concerns. Findings represent issues out of compliance with program regulations or federal laws. While concerns represent issues that are misaligned with best practices but are not at the level of noncompliance with regulations. Awardees and subrecipients must respond, in writing, to all findings within a specified time frame, usually 30 days.

All ESG-funded projects must participate in the Maryland State Data Warehouse, which imports HMIS data from each CoC. ESG projects are also required to submit annual reports for the CAPER. This data helps to track program performance, accessibility, and outcomes.

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### HOME Monitoring

The State of Maryland Department of Housing & Community Development Community Development Administration uses HOME Investment Partnership Program (HOME) funds in conjunction with various State programs to fund Single Family Rental projects. Applications for these funds are processed through the CDA Group Homes Program and the CDA Special Loans Program. HOME funds are also used to fund Multi-Family Rental projects through the CDA Rental Lending Department/Multi-Family Program.

Every HOME recipient under the HOME Program will be monitored during the term of the written agreement.

These loans are monitored by the DHCD Asset Management Department according to the HOME guidelines.

HOME requires on-site inspections, including an inspection within 12 months of project completion and at least once every three years thereafter, for a sampling of units. On site monitoring also requires a visit to the Sponsor/Developer/Management office to review files.

During the other years the projects will be monitored annually through desk monitoring and self-certifications.

The primary goals of the monitoring:

- Ensuring production and accountability
- Ensuring compliance with HOME and other Federal requirements; and
- Evaluating organizational and project performance as well as project viability (financial health, management capacity, etc.)

During the period of affordability, PJs must examine the financial health and the physical condition of HOME-assisted rental housing.

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### Areas That May Be Reviewed During Monitoring:

- Tenant Selection;
- Income Determination;
- Initial Income Determination;
- Annual Income Recertification;
- Lease Compliance;
- Rent Compliance;
- Initial Rents:
- Subsequent Rents;
- Ongoing Occupancy Requirements;
- Property Standards
- Eligible Costs
- Procurement and Contractor Oversight (if applicable);
- Project Completion and Lease-up; and
- Record Retention

### Tenant Selection

The owner(s) of Single family HOME assisted projects with less than five units should have written tenant selection policies and criteria. When reviewing the owners tenant selection policies and criteria staff will review to see if policies address the following:

- Limits housing to very low-and low-income households
- Does not exclude an applicant because the applicant is a holder of a certificate or voucher under the Section 8 Tenant-based assistance or Housing Choice Boucher program, or comparable HOME TBRA document.
- What procedures are used for selection of tenants – Is there a waiting list
- Do applicants receive written notification of rejection and the reason for rejection
- Are there provisions in the selection process that comply with Violence Against Women Act VAWA requirements in 24CFR92.359
- Provisions for termination of a lease. Are the tenants given a 30 day notice prior to termination of a lease.

### Income Determination

- Initial Income Determination
  - The HOME Program staff will have the owner of the property complete Section L of the HUD Rental Completion Form within 18 months of the completion of the project.
  - Documentation should be forwarded to DHCD for review to ensure that owner has calculated the income of each tenant correctly.
    - Was the income of all members of the household counted?
    - Was at least two months of source documentation examined?

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- Was the determination of the household income no more than 6 months from the execution of the lease?
  - Documentation should be kept in the HOME program file and a copy is to be forwarded to Asset Management for setting up the ongoing monitoring file
- Annual Income Determination
  - The project owner must annually recertify the household income using one of the three methods prescribed in 24CFR 92.203 (a)(1)(i)(ii) and (iii)
    - Examine the source documents evidencing annual income (e.g., wage statement, interest statement, unemployment compensation statement) for the family. (At least 2 months of source documentation)
    - Obtain from the family a written statement of the amount of the family's annual income and family size, along with a certification that the information is complete and accurate. The certification must state that the family will provide source documents upon request.
    - Obtain a written statement from the administrator of a government program under which the family receives benefits and which examines each year the annual income of the family. The statement must indicate the tenant's family size and state the amount of the family's annual income; or alternatively, the statement must indicate the current dollar limit for very low or low-income families for the family size of the tenant and state that the tenant's annual income does not exceed this limit.
  - At least once every 3 years DHCD Asset Management Department will visit the office of the owner of the property to review their records.

### Lease Compliance

- At the completion of a project and initial lease up a copy of leases for all tenants in the project should be collected and reviewed by the HOME Program Staff. These leases will remain in the origination file with a copy of each lease to be forwarded to Asset Management for their ongoing monitoring file.
  - Is the lease for a period of not less than one year, unless the project file documents that a shorter term was mutually agreed upon by both the tenant and the project owner?
  - If the date of the HOME commitment is after December 26, 2016 does the projects lease incorporate the VAWA lease addendum required in accordance with 24 CFR 92.359(e)?
  - The lease cannot contain any of the provisions under 24 CFR 92.253 (b) "Prohibited Lease Terms"
  - Asset Management files are to contain records that demonstrate compliance with HUDs regulations

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### Rent Compliance

- Initial Rents
  - At initial application rents will be reviewed and approved by the HOME Program staff to ensure that the initial rent structure meet HOME requirements 24 CFR 92.252(a) and (b).
    - Upon initial lease up the management company will forward HUD Rental Completion Form to the HOME Program staff who will log the information into HUD Integrated Disbursement and Information System (IDIS) and forward this information to Asset Management for setting up their ongoing monitoring file.
    - When tenants pay utilities the HUSM will be used in most cases to determine utilities. The applicant can substitute a full utility analysis report in place of the HUSM that will be approved and accepted by DHCD HOME Staff.
- Subsequent Rents
  - The maximum HOME rent limits are recalculated on a periodic basis. HUD provides the new maximum HOME rent limits to participating jurisdictions. Regardless of changes in fair market rents and in median income over time, the HOME rents for a project are not required to be lower than the HOME rent limits for the project in effect at the time of project commitment.
  - The PJ will provide project owners with information on updated HOME rent limits so that rents may be adjusted in accordance with the written agreement between the participating jurisdiction and the owner.
  - The Owners/Managing Agents will annually provide the PJ with information on rents and occupancy of HOME-assisted units to demonstrate compliance with this section. The DHCD Asset Management Department will review rents for compliance and approve or disapprove them every year.
  - Any increase in rents for HOME-assisted units is subject to the provisions of outstanding leases, and in any event, the owner must provide tenants of those units not less than 30 days prior written notice before implementing any increase in rents.

### Ongoing Occupancy Requirements

As part of the annual monitoring DHCD will determine if HOME units continue to be rented to income limits per the written agreement between the owner and the PJ.

Tenants who no longer qualify as low-income families must pay as rent the lesser of the amount payable by the tenant under State or local law or 30 percent of the family's adjusted income, except that tenants of HOME-assisted units that have been allocated low-income housing tax credits by a housing credit agency pursuant to section 42 of the Internal Revenue Code of 1986 (26 U.S.C. 42) must pay rent governed by section 42. In addition, in projects in which the HOME units are designated as floating pursuant to paragraph (j), tenants who no longer qualify as low-income are not required to pay as rent an amount that exceeds the market rent for comparable, unassisted units in the neighborhood.

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### **Property Standards**

Within 12 months of project completion an on-site inspection is required to determine compliance with property standards.

The property owner/managing company will certify annually that each building and all HOME assisted units in the project are suitable for occupancy based on State and local health, safety codes and requirements and any ongoing property standards established by our office. Records of these certifications must be kept in the DHCD Asset Management project file.

Every three years during the affordability period an on-site inspection is conducted by DHCD Asset Management team

If health and safety deficiencies were identified these deficiencies must be corrected immediately. A follow up inspection will be conducted to ensure that the deficiencies have been corrected and a more frequent inspection may be required at the discretion of the inspector.

If other deficiencies are identified, the correction of these items may be verified by a follow up inspection or by a third part documentation. The inspector will make the determination as to whether a follow up inspection will be needed based on the nature of the deficiencies and repair(s) required.

### **Eligible Costs**

If a property owner charges any eligible costs these fees must be customary for rental projects in the area. If fees are charges for services DHCD will determine if the services are voluntary and only charged for services provided to the tenant.

### **Project Completion and Lease-up**

All HOME-assisted units must be rented to eligible tenants no later than 18 months after the date of project completion or HOME funds must be repaid to HUD.

Upon project completion and lease up all information must be entered into IDIS. This information is to be entered within 120 days of the final project draw. The HOME Program staff will enter this information and provide the Asset Management department of DHCD a copy of the information.

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### HOPWA Monitoring

#### MONITORING ROLES AND RESPONSIBILITIES

1. The local health departments and sub-recipients must participate fully in IDPHSB's program monitoring and improvement activities which may include, but not be limited to:
  - a. periodic comprehensive site visits or monitoring conference calls
  - b. record reviews as needed (including access to electronic medical/health records)
  - c. reviews of required prevention forms, rapid testing documents, educational and other materials
  - d. completion of surveys (or other requested information); and
  - e. completion of an organizational assessment.
2. The local health departments and sub-recipients must provide to the appropriate Compliance Monitoring Officer, the names of the contact person(s) responsible for programmatic concerns, all communications regarding this program, the contact person for fiscal issues, the contact person for quality management, and the contact person for CAREWare and data concerns. The local health departments must provide the same contact information and the names of the contact persons for each of the sub-recipient grantees/vendors (if applicable).
3. The local health departments and sub-recipient site visits may include, but not be limited to: interviews of staff, review of fiscal and clinical records, interviews with clients, and observation of service delivery. The site visit may be conducted by IDPHSB staff and subcontractors. Records must be made available to Federal Agencies upon request; Health Resources Services Administration (HRSA), Centers for Disease Control (CDC), Department of Housing and Urban Development (HUD) or a subcontractor appointed by them.
4. For the purpose of site visits, IDPHSB staff and subcontractors must be allowed access to electronic medical records. The local health departments and subrecipients cannot subject IDPHSB staff to measures that would hinder access to electronic medical records. If not allowed access an agency/health department will be considered out of compliance resulting in a corrective action.
5. The results of Client Satisfaction Surveys will be provided to the local health departments and sub-recipients and will be utilized in the evaluation of the local health departments/sub-recipient performance.
6. The local health departments must provide technical assistance to sub-recipient staff as needed.
7. The local health departments must monitor the activities of each sub-recipient to ensure that the sub-award is used for authorized purposes (allowable activities and allowable costs) and that sub-award performance goals are achieved. However, the Department staff may also monitor the sub-recipient's activities and conduct periodic site visits, with notification to the local health departments.
8. The local health departments shall monitor any HIV testing activities included in the subgrantee's award, including HIV testing quality assurance activities. An annual HIV testing site visit must be conducted by the LHD with each subgrantee receiving funding to conduct HIV testing activities. A copy of the annual HIV testing site visit report must be provided to the MDH Compliance Monitoring Officer.

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9. The local health departments must provide a complete copy of these Conditions of Award to each sub-recipient and shall ensure sub-recipient's compliance with them.
10. The local health departments and sub-recipients or volunteer(s) must cooperate with the Department's policies for addressing any and all concerns or problems identified during the award period.

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### HTF Monitoring

The State of Maryland Department of Housing & Community Development Administration uses HTF in conjunction with various State programs to fund Multifamily Rental projects through the CDA Rental Lending Department/Multifamily Program.

Every HTF unit will be monitored during the term of the written agreement.

The DHCD Asset Management Department monitors these loans according to the HTF guidelines.

HTF requires on-site inspections, including an inspection within 12 months of project completion and at least once every **three years** thereafter, for a sampling of units. On-site monitoring also requires a visit to the Sponsor/Developer/Management office to review files.

During the other years, the projects will be monitored annually through desk monitoring and self-certification.

The primary goals of the monitoring:

- Ensuring production and accountability
- Ensuring compliance with HTF and other Federal requirements; and
- Evaluating organizational and project performance as well as project viability (financial health, management capacity, etc.)

During the affordability period, PJs must examine the financial health and the physical condition of HTF units.

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**AP-15 Expected Resources – 91.320(c)(1,2)**

**Introduction**

The State of Maryland anticipates receiving a cumulative \$103,264,542.70 in federal funding between the CDBG, ESG, HOME, HOPWA, and HTF programs for program years 2025 to 2029. The distribution of these estimated awards between each program is detailed in Table 63 below. The Consolidated Plan process requires grantees to estimate funding allocations for a five year period, however, grant awards are awarded on an annual basis and total allocations/program income/prior year resources frequently change from year to year. As a result, DHCD has elected to assume level federal funding and program income across all the program years with no prior year resources (except in year 1). Future Annual Action Plans will provide a more accurate reflection of actual grant allocations, program income, and prior year resources.

**Anticipated Resources**

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
<b>CDBG</b>	Public - Federal	Acquisition, Admin and Planning, Economic Development, Housing, Public Improvements, Public Services	\$7,416,560.00	\$325,000.00	\$0.00	\$7,741,560.00	\$30,966,240.00	The estimated annual allocations for 2025-2029 are based on level funding for the remaining 4 years of the plan.

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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
<b>HOME</b>	Public - Federal	Acquisition, Homebuyer Assistance, Homeowner Rehab, Multifamily Rental New Construction, Multifamily, Rental Rehab, New Construction for Ownership, TBRA	\$6,083,880.39	\$1,500,000.00	\$12,534,669.83	\$20,118,550.22	\$30,335,521.56	<p>The estimated annual allocations for 2025-2029 are based on level funding for the remaining 4 years of the plan.</p> <p>Prior year resources include unexpended funds from previous Con Plan program years.</p>

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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
<b>HOPWA</b>	Public - Federal	Permanent Housing in Facilities, Permanent Housing Placement, Short Term or Transitional Housing Facilities, STRMU, Supportive Services, TBRA	\$2,490,010.00	\$0.00	\$927,783.00	\$3,417,793.00	\$9,960,040.00	<p>The estimated amounts are annual allocations. The rural HOPWA program will not be funded per HUD formula changes beginning in FFY26.</p> <p>Prior year resources include unexpended funds from Program Years 2020 to 2023.</p>

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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
<b>ESG</b>	Public - Federal	Conversion and Rehab for Transitional Housing, Financial Assistance, Overnight Shelter, Rapid Re-Housing (Rental Assistance), Rental Assistance Services, Transitional Housing	\$1,243,147.00	\$0.00	\$123,836.11	\$1,366,983.11	\$4,972,588.00	<p>The estimated annual allocations for 2025-2029 are based on level funding for the remaining 4 years of the plan.</p> <p>Prior year resources include unexpended funds from Program Year 2023.</p>

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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
<b>HTF</b>	Public - Federal	Acquisition, Admin and Planning, Homebuyer Assistance, Multifamily Rental New Construction, Multifamily Rental Rehab, New Construction for Ownership	\$3,419,311.15	\$0.00	\$5,428,249.00	\$8,847,560.15	\$13,677,244.60	<p>The estimated annual allocations for 2025-2029 are based on level funding for the remaining 4 years of the plan.</p> <p>Prior year resources include unexpended funds from previous Con Plan program years.</p>

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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
<b>Continuum of Care</b>	Public - Federal	Overnight Shelter, Rapid Re-Housing (Rental Assistance), Supportive Services, TBRA	\$8,663,478.00	\$0.00	\$3,608,015.49	\$12,271,493.49	\$34,653,912.00	<p>The estimated annual allocations for 2025-2029 are based on level funding for the remaining 4 years of the plan.</p> <p>Prior year resources include unexpended funds from previous program years.</p>

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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
<b>LIHTC</b>	Public - Federal	Acquisition, Housing, Multifamily Rental New Construction, Multifamily Rental Rehab	\$17,000,000.00	\$0.00	\$0.00	\$17,000,000.00	\$68,000,000.00	The estimated annual allocations for 2025-2029 are based on level funding.

**Table 68 - Expected Resources – Priority Table**

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**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied.**

Matching funds (2% administrative allowance) for programs like CDBG, HOME, and ESG are provided by the State of Maryland through state general funds. The HOME matching requirement is met through the Rental Allowance Program which provides short term rental assistance to persons who are either homeless or at risk of homelessness. The Maryland Department of Health leverages the Ryan White Part B program to complement the HOPWA program.

Beyond the five HUD formula grant programs, DHCD also receives and allocates Federal Low Income Housing Tax Credit (LIHTC) for the development of affordable housing. LIHTC funds are frequently awarded jointly with either HOME or HTF funds.

**If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan.**

Maryland's Department of Housing and Community Development does not own public land or properties that may be used to address needs identified in the plan.

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**AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)**

**Goals Summary Information**

(Note: more information on the ‘Other’ Goal Outcome Indicators is included in each individual goal’s description. The funding allocations included in Table 69 below do not include the prior year resources reported in AP-15 as those funds were previously designated for prior Annual Action Plan goals.)

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Attainable and Accessible Rental Housing	2025	2029	Affordable Housing	Statewide	Rental Housing Needs	CDBG: \$1,050,000.00 HOME: \$5,421,319.39 HTF: \$3,419,311.15	Rental Units Constructed: 108 Household Housing Unit Rental Units Rehabilitated: 107 Household Housing Unit Other: 17 Other (Rental housing units funded)
2	Sustainable and Quality Housing for Homeowners	2025	2029	Affordable Housing	Statewide	Homeowner Housing Needs	CDBG: \$750,000.00 HOME: \$1,200,000.00	Homeowner Housing Rehabilitated: 25 Household Housing Unit Direct Financial Assistance to Homebuyers: 15 Households Assisted
3	Homelessness Prevention	2025	2029	Homeless	Statewide	Homelessness Prevention	CDBG: \$825,000.00 ESG: \$774,690.00 HOPWA: \$518,704.00	Tenant-Based Rental Assistance / Rapid Rehousing: 1,185 Households Assisted Homeless Person Overnight Shelter: 60 Persons Assisted Overnight/Emergency Shelter/Transitional Housing Beds Added: 1,667 Beds Homelessness Prevention: 1,764 Persons Assisted

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Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	Supportive Housing Assistance for At-Risk Citizens	2025	2029	Homeless Non-Homeless Special Needs Non-Housing Community Development	Statewide	Homelessness Prevention	HOPWA: \$1,971,306.00 ESG: \$468,457.00	Homeless Person Overnight Shelter: 1,667 Persons Assisted Tenant-Based Rental Assistance / Rapid Rehousing: 143 Households Assisted
5	Viable Infrastructure and Public Facilities	2025	2029	Non-Housing Community Development	Statewide	Infrastructure and Public Facilities Improvements	CDBG: \$4,741,560.00	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 12,000 Persons Assisted Buildings Demolished: 1 Building
6	Accessible Public Services	2025	2029	Non-Housing Community Development	Statewide	Public Service Needs	CDBG: \$225,000.00	Homelessness Prevention: 50 Persons Assisted
7	Increased Local Planning and Capacity Building	2025	2029	Non-Housing Community Development	Statewide	Administration and Planning Needs	CDBG: \$150,000.00 HOME: \$962,561.00	Other: 4 Other (3 jurisdictions assisted and 1 CHDO assisted)

**Table 69 – Goals Summary Information**

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**Goal Descriptions**

<b>1</b>	<b>Goal Name</b>	Attainable and Accessible Rental Housing
	<b>Goal Description</b>	<p>This goal supports funding for activities that either construct or rehabilitate multi-family rental housing development projects that increase the supply of affordable housing opportunities, especially for extremely-low and/or low income households.</p> <p>During this Annual Action Plan period it is estimated the CDBG, HOME, and HTF programs will provide the following outcomes:</p> <ul style="list-style-type: none"> <li>• CDBG Program 2025-2026 Goal: Approximately 40 rental units constructed and 10 rental units rehabilitated for a total of 50 rental housing units.</li> <li>• HOME Program 2025-2026 Goal: Approximately 52 multi-family rental units constructed and 45 multi-family rental units rehabilitated for a total of 97 rental housing units.</li> <li>• HTF Program 2025-2026 Goal: Approximately 16 rental units constructed and 52 rental units rehabilitated for a total of 68 rental housing units. An additional 17 rental units will be funded during this period, however, these units will not be constructed during this Annual Action Plan period.</li> </ul>
<b>2</b>	<b>Goal Name</b>	Sustainable and Quality Housing for Homeowners
	<b>Goal Description</b>	<p>This goal supports funding for projects that encourage and preserve homeownership among low income citizens through direct homebuyer assistance and homeowner single-family rehabilitation (with an emphasis on rehabilitations that allow elderly homeowners to age in place).</p> <p>During this Annual Action Plan period it is estimated the CDBG and HOME programs will provide the following outcomes:</p> <ul style="list-style-type: none"> <li>• CDBG 2025-2026 Goal: Rehabilitation of 20 single family homeowner properties and direct financial assistance to 15 homebuyers.</li> <li>• HOME 2025-2026 Goal: Rehabilitation of 5 single family homeowner properties.</li> </ul>

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<b>3</b>	<b>Goal Name</b>	Homelessness Prevention
	<b>Goal Description</b>	<p>This goal supports funding for projects and activities that prevent homelessness through eviction prevention, diversion, renter rights outreach and education, and landlord compliance with fair housing and civil rights laws.</p> <p>During this Annual Action Plan period it is estimated the CDBG and ESG programs will provide the following outcomes:</p> <ul style="list-style-type: none"> <li>• CDBG Program 2025-2026 Goal: Approximately 60 persons assisted through overnight shelters.</li> <li>• ESG Program 2025-2026 Goal: Approximately 1,185 households assisted through rapid re-housing, 1,667 beds provided for emergency shelter, and 1,738 households assisted through homelessness prevention activities.</li> <li>• HOPWA Program 2025-2026 Goal: Approximately 26 persons with HIV/AIDS assisted through short-term rent, mortgage, and utility assistance payments to prevent homelessness.</li> </ul>
<b>4</b>	<b>Goal Name</b>	Supportive Housing Assistance for At-Risk Citizens
	<b>Goal Description</b>	<p>This goal supports funding for projects and activities that provide supportive housing opportunities for people experiencing homelessness, persons with special needs such as HIV/AIDS, and other vulnerable populations. These supportive housing opportunities may include, but are not limited to: rental assistance, supportive services, permanent housing programs, and short-term rent, mortgage, and utility (STRMU) assistance.</p> <p>During this Annual Action Plan period it is estimated the ESG and HOPWA programs will provide the following outcomes:</p> <ul style="list-style-type: none"> <li>• ESG Program 2025-2026 Goal: Approximately 1,667 homeless persons assisted through overnight shelter activities.</li> <li>• HOPWA Program 2025-2026 Goal: Approximately 143 persons with HIV/AIDs assisted through Tenant-Based Rental Assistance.</li> </ul>

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5	<b>Goal Name</b>	Viable Infrastructure and Public Facilities
	<b>Goal Description</b>	<p>This goal supports funding for the development of viable infrastructure and public facilities that improve the quality of life for Marylanders and encourage economic development. These types of projects will support regional community revitalization efforts and may include but are not limited to: slum and blight removal, water and sewer improvements, road and street improvements, improvements to parks, community centers, and other recreation facilities, and the acquisition and development of public and private facilities to create more sustainable communities.</p> <p>During this Annual Action Plan period it is estimated the CDBG program will provide the following outcomes:</p> <ul style="list-style-type: none"> <li>• CDBG Program 2025-2026 Goal: Approximately 12,000 persons assisted through various public infrastructure or public facilities improvements and 1 blighted buildings demolished.</li> </ul>
6	<b>Goal Name</b>	Accessible Public Services
	<b>Goal Description</b>	<p>This goal supports funding for projects and activities that support local partners in providing resources to address community and economic development needs in areas like job creation, senior services, youth services, job training, and food banks.</p> <p>During this Annual Action Plan period it is estimated the CDBG program will provide the following outcomes:</p> <ul style="list-style-type: none"> <li>• CDBG Program 2025-2026 Goal: Approximately 50 persons assisted through various homeless prevention public service activities.</li> </ul>
7	<b>Goal Name</b>	Increased Local Planning and Capacity Building
	<b>Goal Description</b>	<p>This goal supports funding for projects and activities that provide resources and technical assistance to local jurisdictions to develop planning efforts that improve living environments and strengthen economic and community development.</p> <p>During this Annual Action Plan period it is estimated the CDBG and HOME programs will provide the following outcomes:</p> <ul style="list-style-type: none"> <li>• CDBG Program 2025-2026 Goal: Approximately 3 jurisdictions will be assisted through various planning and capacity building activities.</li> <li>• HOME Program 2025-2026 Goal: Approximately 1 CHDO will be assisted through various planning and capacity building activities.</li> </ul>

**Table 70 – Goal Descriptions 2**

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**AP-25 Allocation Priorities – 91.320(d)**

**Introduction**

DHCD awards program funding through a competitive application process as described in the AP-30 section of this report. Each program estimates the amounts it will fund for the below goals in advance of actual project applications and, as a result, actual allocation distribution may change in the future.

**Funding Allocation Priorities**

<b>Program</b>	<b>Attainable and Accessible Rental Housing (%)</b>	<b>Sustainable and Quality Housing for Homeowners (%)</b>	<b>Homelessness Prevention (%)</b>	<b>Supportive Housing Assistance for At-Risk Citizens (%)</b>	<b>Viable Infrastructure and Public Facilities (%)</b>	<b>Accessible Public Services (%)</b>	<b>Increased Local Planning and Capacity Building (%)</b>	<b>Total (%)</b>
CDBG	14	10	11	0	60	3	2	<b>100</b>
HOME	76	20	0	0	0	0	4	<b>100</b>
HOPWA	0	0	21	79	0	0	0	<b>100</b>
ESG	0	0	58	42	0	0	0	<b>100</b>
HTF	100	0	0	0	0	0	0	<b>100</b>
Continuum of Care	0	0	100	0	0	0	0	<b>100</b>
LIHTC	100	0	0	0	0	0	0	<b>100</b>

**Table 71 – Funding Allocation Priorities**

**Reason for Allocation Priorities**

Allocation priorities for each individual program are discussed in more detail in the various methods of distribution noted in the AP-30 section of this report. Many of the priorities for these programs are based on the program's specific statutory purpose or to further HUD's priority needs of decent housing, suitable living, and economic opportunity. The priorities for the CDBG program are determined based on local needs and stakeholder input.

**How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?**

The proposed distribution of funds addresses the priority needs and specific objectives identified by allocating funds to the areas highlighted as opportunities in the Needs Assessment and Market Analysis sections of this Consolidated Plan. These funds also align with the feedback received by DHCD through its various citizen participation and stakeholder consultation processes.

**AP-30 Methods of Distribution – 91.320(d)&(k)**

**Introduction**

Each of the five HUD formula grant programs distribute funding in separate and distinct methodologies as described below. More detailed information can be found in the word document version of this report.

**Distribution Methods**

<b>1</b>	<b>State Program Name:</b>	CDBG
	<b>Funding Sources:</b>	CDBG
	<b>Describe the state program addressed by the Method of Distribution.</b>	The Community Development Block Grant Program assists county and municipal governments with a variety of activities directed towards neighborhood revitalization, housing opportunities, economic development and improvements to public facilities and services. Congress initiated the program in Title 1 of the Housing and Community Development Act of 1974 and provides funds to the State to distribute to non-entitlement areas. Non-entitlement areas are non-urban counties with populations with less than 200,000 people (minus entitlement cities) and municipalities with less than 50,000 in population. The majority of the funding must benefit low and moderate income persons.
	<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	See the attached methods of distribution in Appendix B.
	<b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b>	DHCD’s Policies and Procedures Manual for the CDBG program is updated annually in advance of the department’s application workshop for potential CDBG subgrantees. This manual is made available to workshop attendees as well as uploaded onto DHCD’s website.

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	<b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b>	Not applicable.
	<b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b>	Not applicable.
	<b>Describe how resources will be allocated among funding categories.</b>	See the attached methods of distribution in Appendix B.
	<b>Describe threshold factors and grant size limits.</b>	See the attached methods of distribution in Appendix B.
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	All funded projects will comply with CDBG National Objectives and with HUD Performance Measures for the program. See the attached methods of distribution.
<b>2</b>	<b>State Program Name:</b>	ESG
	<b>Funding Sources:</b>	ESG
	<b>Describe the state program addressed by the Method of Distribution.</b>	ESG funds support households who are currently or at imminent risk of homelessness to meet their immediate shelter and safety needs and transition into stable permanent housing.  ESG funds cover expenses related to operating emergency shelters, essential services related to emergency shelters and street outreach for the homeless, as well as homelessness prevention and rapid re-housing assistance.

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<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>DHCD requires each Continuum of Care and eligible Local Homeless Coalition to submit an application annually describing their jurisdiction's plan for addressing homelessness, applicant organizational capacity, community coordination efforts, local needs, implementation of best practices such as Housing First, implementation of their Coordinated Entry System, how they will address and eliminate fair housing impediments, and what projects they will undertake with ESG funding.</p> <p>The application includes demonstrating progress on DHCD and HUD project and system performance outcomes in addition to maintaining compliance with program regulations and HMIS data entry. DHCD scores applications competitively based on these factors, and CoCs with the highest scores are awarded additional funding to support their plan.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Not applicable.</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>Grantees who are eligible for ESG funds are Continuums of Care and Local Homeless Coalitions, primarily those operating in non-entitlement ESG jurisdictions. Continuums of Care and Local Homeless Coalitions then subgrant those funds to nonprofit organizations in their geographic area, including those that are faith-based. Most Continuum of Care lead agencies are local government agencies.</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>Not applicable.</p>

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<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>Based on current allocations by eligible activity we anticipate resource allocation for FFY 2025-2029 to reflect the following:</p> <ul style="list-style-type: none"> <li>• Street Outreach - 8.6%</li> <li>• Emergency Shelter - 28.4%</li> <li>• Rapid Re-Housing - 41.8%</li> <li>• Homelessness Prevention - 13.5%</li> <li>• Admin- 7.5%</li> </ul> <p>Additionally, DHCD matches State funds to provide administrative and HMIS funds to Continuums of Care.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Funds are awarded to CoCs according to need based on annual Point-in-Time Count and HMIS Data. No applicable grant size limits.</p>
<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>As a result of the above distribution methodology, expected outcome measures are:</p> <ul style="list-style-type: none"> <li>• Reduced length of time people experience homelessness</li> <li>• Reduced rate of first-time homelessness through diversion</li> <li>• Increased placement of people experiencing homelessness into permanent housing</li> <li>• Reduced number of returns to homeless after placement</li> </ul>
<p><b>State Program Name:</b></p>	<p>HOME</p>
<p><b>Funding Sources:</b></p>	<p>HOME</p>
<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>HOME funds will be used to increase the number of housing units for very low income individuals and households. For rental housing projects, HOME funds will be targeted to serve households at or below 80% of the area median household income, adjusted for household size, and determined annually by HUD.</p>

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<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Please see that attached methods of distribution for more detailed criteria.</p> <p>In general, the HOME program uses the following criteria:</p> <ul style="list-style-type: none"> <li>• Single family projects for rehabilitation/reconstruction assistance through the HOME Program are awarded on a first come first serve basis.</li> <li>• Applications for rehabilitation/reconstruction assistance are continuously available on DHCD’s website.</li> <li>• Single Family rehabilitation/reconstruction loans, acquisition/rehab/resale loans and loans for Homeownership assistance will be targeted to households at or below 80 percent of the area median household income, adjusted for household size and determined annually by HUD.</li> <li>• Multi-Family HOME Projects are awarded through an annual competitive round.</li> <li>• Rental assistance will be targeted to households at or below 80% of the area median household income.</li> </ul>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Not applicable.</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>Not applicable.</p>

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<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>Not applicable.</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>The following are eligible activities of HOME:</p> <ul style="list-style-type: none"> <li>• Housing Rehabilitation</li> <li>• Homebuyer Assistance</li> <li>• New Construction</li> <li>• Acquisition/Rehab Resale</li> <li>• Acquisition/Rehab/Rent</li> <li>• Reconstruction</li> </ul> <p>Priority will be placed on New Construction, Rehabilitation; Acquisition/Rehab Resale and Reconstruction.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Homeowners and tenants must meet the area median household income limits published annually by HUD. All households' income will be considered for eligibility purposes. Homeownership sales value limits may not exceed the values for the area as published annually by HUD. Rents for HOME units must adhere to the Fair Market Rents published by HUD annually. Rental projects must meet the subsidy limits published by HUD. All projects must meet the occupancy requirements during the affordability period.</p>
<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>The overall goals for the HOME program include:</p> <ul style="list-style-type: none"> <li>• Grow the number of affordable housing units</li> <li>• Increase the number of affordable housing units for special needs population 3. Provide rapid-rehousing to reduce the number of people experiencing homelessness</li> <li>• Foster healthy competition among sustainable and other designated communities to meet goals set in the plan</li> </ul>
<p><b>State Program Name:</b></p>	<p>HTF</p>
<p><b>Funding Sources:</b></p>	<p>HTF</p>

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<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>The HTF Program priority will be to increase the supply of decent, safe and sanitary affordable housing for ELI households, including homeless families. HTF funds may be used for the production, preservation, and rehabilitation of affordable rental housing through the acquisition, new construction, reconstruction, or rehabilitation of non-luxury housing with suitable amenities.</p> <p>In its method of distribution, ninety percent (90%) of the HTF annual allocation will be used for the production, preservation, and rehabilitation of affordable rental housing through the acquisition, new construction, reconstruction, or rehabilitation of non-luxury housing with suitable amenities. DHCD will retain ten percent (10%) of the HTF annual allocation for allowable administrative and planning expenses.</p> <p>The HTF program requires DHCD to commit funds within 24 months of HUD’s execution of the HTF grant agreement.</p>
<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>HTF projects will be selected by DHCD for funding consideration, subject to availability of funds. Applications will be reviewed for eligibility and evaluated using the Threshold Criteria set forth below. HTF funds will be awarded to eligible projects through a non-competitive, first-ready first-served basis and will be used to complement and in conjunction with on-going department housing programs to leverage other project funding, make projects financially feasible and increase the number of extremely low income households served in state-funded projects. HTF funds may be used in projects utilizing RHFP, LIHTC, MBP, Shelter and Transitional Housing Grant Program (STHGP) and any other programs administered by DHCD.</p> <p>HTF may also be used with projects receiving non-department housing program funds such as other state, federal, local/public or private sources. HTF may not be used with any funding sources that cannot be combined with HTF (e.g., Public Housing per 24 CFR §93.203). HTF funds may be requested by a Sponsor as part of a project application or department staff may, in consultation with a sponsor, propose the use of HTF funds during project review and underwriting. Successful recipients will receive a Notice of Award, which will state the Department’s intent to award HTF funds.</p>

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<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Not applicable.</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>Not applicable.</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>Not applicable.</p>

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<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>Applications will be reviewed for eligibility and evaluated using the threshold criteria set forth below. HTF funds will be awarded to eligible projects through a non-competitive, first-ready first-served basis and will be used to complement and in conjunction with on-going department housing programs to leverage other project funding, make projects financially feasible and increase the number of extremely low income households served in state-funded projects.</p> <p>HTF funds may be used in projects utilizing RHFP, LIHTC, MBP, Shelter and Transitional Housing Grant Program (STHGP) and any other programs administered by the department. HTF may also be used with projects receiving non-department housing program funds such as other state, federal, local/public or private sources. HTF may not be used with any funding sources that cannot be combined with HTF (e.g., Public Housing per 24 CFR §93.203). HTF funds may be requested by a Sponsor as part of a project application or department staff may, in consultation with a sponsor, propose the use of HTF funds during project review and underwriting. Successful recipients will receive a Notice of Award, which will state the department’s intent to award HTF funds.</p>
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<p><b>Describe threshold factors and grant size limits.</b></p>	<p>HTF funds may only be used for the following eligible costs:</p> <ul style="list-style-type: none"> <li>• Development hard costs;</li> <li>• Acquisition costs;</li> <li>• Related soft costs;</li> <li>• Relocation costs; and,</li> <li>• Operating/rental assistance</li> </ul> <p>(Note: no more than one-third of the State’s annual HTF allocation can be used for operating cost assistance and/or placed into an operating cost assistance reserve. Allocations under this funding category must be fully utilized within five years of the award. Such assistance can be subsequently renewed as long as it is within the thirty year affordability period.)</p> <p>Operating cost assistance and/or an operating cost assistance reserve may be provided only to rental housing acquired, rehabilitated, reconstructed, or newly constructed with HTF funds. [Section 200(a)(1)].</p> <p>Eligible uses of HTF for operating cost assistance and operating cost assistance reserve in accordance with Section 201(e) include:</p> <ul style="list-style-type: none"> <li>• Operating costs are costs for insurance, utilities, real property taxes, and maintenance and scheduled payments to a reserve for replacement of major systems (provided that the payments must be based on the useful life of each major system and expected replacement cost) of an HTF-assisted unit.</li> <li>• The eligible amount of HTF funds per unit for operating cost assistance is determined based on the deficit remaining after the monthly rent payment for the HTF-assisted unit is applied to the HTF-assisted unit’s share of monthly operating costs.</li> <li>• The maximum amount of the operating cost assistance to be provided to an HTF-assisted rental project must be based on the underwriting of the project and must be specified in a written agreement between the grantee and the recipient. The written agreement may commit, from a fiscal year HTF grant, funds for operating cost assistance for a multiyear</li> </ul>
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	<p>period provided that the grantee is able meet its expenditure deadline in 93.400(d).</p> <ul style="list-style-type: none"><li>• The grantee may renew operating cost assistance with future fiscal year HTF grants during the affordability period [Section 302(d)(1) establishes a 30-year minimum affordability period] and the amount must be based on the need for the operating cost assistance at the time the assistance is renewed.</li></ul> <p>DHCD will require that all applications for HTF funds include a description of the eligible activities to be conducted with the HTF funds.</p> <p>HTF projects must also comply with Site and Neighborhood Standards requirements as established in the HTF interim rule published by HUD (Exhibit A). The Site and Neighborhood Standards at § 93.150 apply to new construction of rental projects receiving HTF funds.</p> <p>All rehabilitation projects must meet the applicable HTF rehabilitation standards and the requirements of 24 CFR §93.301(b).</p> <p>DHCD will not use HTF funds for refinancing of existing debt.</p>
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<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>DHCD has determined that a broader set of priorities is necessary to ensure the availability of important resources to all areas and populations in the State.</p> <p>The following outcomes are expected from allocated funding priorities to provide:</p> <ol style="list-style-type: none"> <li>1. Family Housing in Communities of Opportunity</li> <li>2. Housing in Community Revitalization and Investment Areas</li> <li>3. Integrated Permanent Supportive Housing Opportunities</li> <li>4. Preservation of Existing Affordable Housing</li> <li>5. Elderly Housing in Rural Areas of the State Outside Communities of Opportunity</li> <li>6. Housing for the Homeless</li> </ol> <p>It is DHCD’s intent to ensure that Maryland’s affordable housing development resources, including HTF funding, are fairly deployed in a manner that best serves Maryland residents including families, seniors, and persons with disabilities or special needs, and the continuing demand for quality, affordable rental housing across the State.</p> <p>Funds available through the HTF Program will be targeted to provide permanent rental housing to extremely low income (ELI) households. The need for permanent rental housing for ELI households in Maryland is significant, with the latest estimates indicating that there are over 180,000 households in the State with incomes at or below 30% AMI, and 86% of these households pay in excess of 50% of their income for housing. Additionally, ELI households in Maryland have a high occurrence of disabilities and other special needs.</p> <p>The HTF Program priority will be to increase the supply of decent, safe and sanitary affordable housing for ELI households, including homeless families. HTF funds may be used for the production, preservation and rehabilitation of affordable rental housing through the acquisition, new construction, reconstruction, or rehabilitation of non-luxury housing with suitable amenities.</p>
<p><b>State Program Name:</b></p>	<p>HOPWA</p>
<p><b>Funding Sources:</b></p>	<p>HOPWA</p>

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<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>The Housing Opportunities for Persons with AIDS (HOPWA) was established to provide housing assistance and related supportive services for low-income persons living with HIV/AIDS and their families. The HOPWA funds are appropriated annually through the U.S. Department of Housing and Urban Development (HUD) by formula to eligible states that meet the minimum number of cumulative AIDS cases.</p>
<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>The awarding of HOPWA funds is based on the number of households with people living with HIV/AIDS (PLWH). This is in addition to the location, availability, and access of services. Agencies are awarded funds based upon their demonstrated capacity to achieve program goals. Program outcomes include:</p> <ul style="list-style-type: none"> <li>• Providing the supports necessary to achieve affordable, safe housing for low-income persons living with HIV/AIDS</li> <li>• Enhancing housing stability and support retention in HIV care; and,</li> <li>• Assisting participants to find and then maintain stable housing (supportive housing case management).</li> </ul> <p>HOPWA funds are used to help individuals living with HIV/AIDS avoid homelessness, therefore, special consideration is given to those agencies who have experience providing various services to PLWH and demonstrated effective use of funds.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Not applicable.</p>

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<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>Not applicable.</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>Project Sponsors are currently government agencies with programs that target services to people living with HIV/AIDS (PLWH). Current, and future, project sponsors must demonstrate the ability to manage a HOPWA program and all applicable State and Federal policies and procedures including compliance with Federal and State non-discrimination laws.</p> <p>Additionally, to be awarded funds, sponsors must have established internal controls and fiscal accounting procedures along with the demonstrated ability to coordinate client services with other services providers and leverage, where possible, other resources toward meeting overall client needs and program goals. Lastly, program sponsors must demonstrate the ability to meet all reporting and record-keeping requirements including maintaining the confidentiality of client records.</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>Anticipated allocations by eligible activity for FFY 2025 include:</p> <ul style="list-style-type: none"> <li>• Tenant-Based Rental Assistance (TBRA) - 73%</li> <li>• Short-Term Rent Mortgage Utility Assistance (STRMU) - 9%</li> <li>• Housing Case Management- 9%</li> <li>• Other Support Services - 9%</li> </ul>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>There are no limits or threshold factors in the awarding of HOPWA funds.</p>

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<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>The Maryland Department of Health expects the following outcomes as a result of its methods of distribution:</p> <ul style="list-style-type: none"> <li>• to provide the supports necessary to achieve affordable, safe housing for low-income persons living with HIV/AIDS;</li> <li>• enhance housing stability and support retention in HIV care; and,</li> <li>• to assist participants to find and then maintain stable housing (supportive housing case management).</li> </ul>
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**Table 72 - Distribution Methods by State Program**

## **AP-35 Projects – (Optional)**

### **Introduction**

Project-level detail is not required for a state’s initial Annual Action Plan/Consolidated Plan submission to HUD. Once DHCD has allocated funding through the methods described in section AP-30, this Consolidated Plan will be amended to accurately reflect the awarded projects.

### **Describe the reasons for allocation priorities and any obstacles to addressing underserved needs**

This section will be updated after projects are identified.

**AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)**

**Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?**

No.

**Available Grant Amounts**

Not applicable.

**Acceptance process of applications**

Not applicable.

**AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)**

**Will the state allow units of general local government to carry out community revitalization strategies?**

Yes

**State’s Process and Criteria for approving local government revitalization strategies**

DHCD utilizes the State’s Sustainable Communities policies and criteria to approve local government revitalization strategies.

The Sustainable Communities Act of 2010 was established by the Maryland General Assembly to consolidate all previous community revitalization distinctions throughout the state. Any Sustainable Community application for funding must meet the following threshold criteria requirements:

- Sustainable Community Area boundaries must be entirely within a Priority Funding Area and should be indicative of a targeted approach;
- A local government resolution in support of the boundary designation and plan should accompany any application or be in process;
- Entities in the community must have pledged financial and/or in-kind resources to implement the plan as indicated by letters of support;
- The proposed Sustainable Community is within or near a town center or transportation center, or there is a need for financing assistance for small businesses, non-profit organizations or microenterprises;
- The proposed plan must be consistent with other existing community or comprehensive plans; and,
- A Sustainable Communities workgroup is formed and a roster of members is provided.

All applications are scored using the following 120-point framework:

- Sustainable Community Baseline Information (20 points)
- Local Capacity to Implement Plans and Projects (15 points)
- Sustainable Community Action Plan (65 points)
- Progress Measures (20 points)

**AP-50 Geographic Distribution – 91.320(f)**

**Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed**

The State of Maryland will follow several different geographic allocations in respect to each of its five federal grant programs. Any use of funds will be limited to the non-entitlement jurisdictions within the state that do not receive direct funding from HUD. A list of each program’s entitlement jurisdiction as well as maps illustrating their jurisdictions have been included in the word document of this report. These jurisdictions are thereby unable to receive additional federal funding in the same grant programs from DHCD (e.g. Baltimore County is a direct CDBG entitlement jurisdiction and cannot receive more CDBG funding from DHCD). In the instance of counties receiving federal funding, any municipality within that region is also not eligible to receive funding from DHCD unless said municipality has opted out of its local program.

In general, beyond these entitlement restrictions, federal funding for CDBG, ESG, HOME, and HTF can be utilized in any community in Maryland. Projects that are located in various DHCD designated planning areas may receive additional preference in funding, particularly for the utilization of HOME or HTF funds.

HOPWA funding is limited to two specific Eligible Metropolitan Statistical Areas (EMSA). The first EMSA represents a collection of rural counties including Allegany, Caroline, Dorchester, Garrett, Kent, Somerset, St. Mary's, Talbot, Washington, Wicomico, and Worcester. The second EMSA covers Frederick and Montgomery County.

**Geographic Distribution**

Target Area	Percentage of Funds
Statewide	100%

Table 73 - Geographic Distribution

**Rationale for the priorities for allocating investments geographically**

As noted above, DHCD’s allocation of federal resources are geographically limited by the boundaries of other formula grant entitlement communities in the state. All non-entitlement communities are able to apply for federal resources, however, communities that are located in the various planning areas described in the SP-10 section of this report.

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**AP-55 Affordable Housing – 24 CFR 91.320(g)**

**Introduction**

The following tables reflect the estimated number of households that will be supported through various housing activities for Program Year 2025 (State Fiscal Year 2026). This information is reflected both in terms of special populations as well as the type of housing activity provided.

<b>One Year Goals for the Number of Households to be Supported</b>	<b>Number of Households</b>
Homeless	0
Non-Homeless	1,427
Special-Needs	143
<b>Total</b>	<b>1,570</b>

**Table 74 - One Year Goals for Affordable Housing by Support Requirement**

<b>One Year Goals for the Number of Households Supported Through</b>	<b>Number of Households</b>
Rental Assistance	1,330
The Production of New Units	108
Rehab of Existing Units	132
Acquisition of Existing Units	0
<b>Total</b>	<b>1,570</b>

**Table 75 - One Year Goals for Affordable Housing by Support Type**

**Discussion**

The estimated numbers reported in Tables 74 and 75 reflect the following projected activities by each grant program:

- CDBG: 72 Non-Homeless Households (40 household housing units to be constructed, 30 household housing units to be rehabilitated, and 2 households to receive rental assistance)
- ESG: 1,185 Non-Homeless Households (1,185 households to receive rental assistance)
- HOME: 102 Non-Homeless Households (52 household housing units to be constructed and 50 household housing units to be rehabilitated)
- HOPWA: 143 Special Needs Households (143 households to receive rental assistance)
- HTF: 68 Non-Homeless Households (16 household housing units to be constructed and 52 household housing units to be rehabilitated)

## **AP-60 Public Housing - 24 CFR 91.320(j)**

### **Introduction**

The State of Maryland does not currently own or manage any of the state's public housing authorities. DHCD does, however, serve as a HUD-designated Contract Administrator for the Housing Choice Voucher program in Maryland. All Public Housing Authorities in Maryland are also required to submit an annual certification of consistency with the Consolidated Plan for their individual agency plans.

### **Actions planned during the next year to address the needs to public housing**

Public Housing Authorities are eligible to receive a variety of funding support from DCED to address the needs of its public housing units including Low Income Housing Tax Credits, HOME/HTF allocation funds, and other bond financing.

### **Actions to encourage public housing residents to become more involved in management and participate in homeownership**

The State of Maryland does not currently own or manage any of the state's public housing authorities and, as a result, is limited in how it can encourage the involvement of residents in the management of these properties.

DCED offers several homeownership programs which residents of public housing and/or Housing Choice Voucher holders are eligible to utilize. The Maryland Mortgage Program provides eligible applicants down payment and closing cost assistance as well as reduced interest rates to first time homebuyers. The Maryland Homeowner Assistance Fund and Maryland Homeowner Assistance Fund WholeHome Grants also provide low income borrowers with financial housing support to maintain homeownership.

### **If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance**

If a Public Housing Authority is designated as 'troubled', DHCD will cooperate with HUD to identify different opportunities of assistance (either financial or technical) for that agency. The exact nature of this assistance will be determined based on the exact findings that resulted in the Public Housing Authorities 'troubled' designation.

DCED is prepared to provide a variety of technical assistance to the state's Public Housing Authorities including asset management, property management, and daily operations. All Public Housing Authorities (regardless of designation) are also eligible applicants for DHCD's rehabilitation programs for both single-family and multifamily properties.

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### **Discussion**

Each Public Housing Authority (PHA) in Maryland must certify to DHCD annually that their agency plans are consistent with the State's Consolidated Plan (unless a PHA is located in an entitlement jurisdiction).

## **AP-65 Homeless and Other Special Needs Activities – 91.320(h)**

### **Introduction**

The State of Maryland takes a multifaceted approach to addressing homelessness on a state level through both the ESG and HOPWA programs. The collective priority for each of these programs is to ensure that homelessness is rare, brief, and non-recurring. At the center of this approach is the Maryland Interagency Council of Homelessness (ICH). This entity serves as a state policy advisory board and it is composed of representatives from various State of Maryland departments, Continuums of Care, advocacy agencies, and persons with lived experience.

The goal of this council is to perform the following functions:

- Serve as the single statewide homelessness planning and policy development resource for Maryland
- Oversee and implement the Maryland Homeless Services Framework
- Serve as a state clearinghouse for information on services and housing options for the homeless

### **Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including:**

#### **1 - Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

In general, the State primarily reaches out to persons experiencing homelessness, including those living in unsheltered locations, through the Continuum of Care (CoC) network. There are ten CoCs in Maryland including the Maryland Balance of State, a DHCD-managed CoC composed of nine Maryland counties.

DHCD provides both State funding and ESG funding to over 40 street outreach programs, drop-in centers, and emergency shelters. These programs provide immediate crisis stabilization services and case management to assist households with identifying their housing and service needs and address housing barriers. This funding also supports assessments for Coordinated Entry which allows persons experiencing homelessness to both gain access to permanent housing resources and connections to community-based services such as mental health treatment, substance use treatment, food and basic needs resources, education and workforce development services, and other affordable housing opportunities.

Local CoCs and service providers often utilize State and ESG funding to support outreach efforts in areas such as regional Point-in-Time Counts and Homeless Resource Days, expanded geographic coverage for services, recruitment of outreach staff and volunteers, and the provision of incentives to encourage

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persons experiencing homelessness to complete surveys or Coordinated Entry assessments.

Beyond funding, DHCD coordinates closely with a variety of State agencies and community partners to:

- Share information about available housing and services across Maryland;
- Ensure that people experiencing homelessness know where and how to access the Coordinated Entry System; and,
- Provide support to persons being discharged from institutional settings in the event a person needs emergency shelter immediately at exit.

Local outreach through regional health departments provides additional assistance for persons living with HIV/AIDS. Clients receiving Ryan White services or clients accessing homeless services through DHCD are regularly educated about HOPWA program benefits.

### **State Fiscal Year 2026 (Federal Fiscal Year 2025) Goals:**

- Provide regular technical assistance to Coordinated Entry providers to ensure systems are properly assessing needs.
- Invest in Resource Day events through outreach funding to promote accessible services.
- Facilitate coordination with State agencies and institutional partners to ensure individuals being discharged from institutional settings are connected to emergency shelter and street outreach services at or before discharge.

## **2 - Addressing the emergency shelter and transitional housing needs of homeless persons**

In an effort to reduce barriers to shelter for people experiencing unsheltered homelessness, DHCD has provided local CoCs and homeless shelters with the following trainings:

- National Alliance to End Homelessness Emergency Shelter Learning Series
- Low-Barrier Shelter practices
- Clinical social work training on harm reduction strategies

DHCD allocates 29% of ESG funds and 32% of State general funds to operating and service costs for emergency shelter. The continued support for emergency crisis beds while expanding rapid rehousing and other permanent housing options is key to ensuring that unsheltered homelessness is reduced throughout the state. DHCD requires all shelters to be low barrier and Housing-First oriented with accessibility to households of all types and family compositions (such as unaccompanied youth, veterans, domestic violence survivors, and people who are LGBTQ+). Local CoCs assess shelter needs and identify shelter inventory gaps each year in funding applications.

### **State Fiscal Year 2026 (Federal Fiscal Year 2025) Goals:**

- Provide technical assistance to Shelter Providers on implementing low-barrier housing first practices to address temporary shelter needs.
- Support CoCs and LHCs in conducting annual needs assessments to identify gaps in emergency

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and transitional housing, and prioritize culturally competent shelter expansion for vulnerable subpopulations.

### **3 - Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

DHCD primarily supports homeless persons transitioning into permanent housing through the use of rapid rehousing funding. Rapid rehousing is considered a best practice model for helping individuals and families transition quickly out of homelessness and into independent, community-based permanent housing. The goal of the practice is centered on the use of housing relocation, stabilization services or short-term rental assistance to “re-house” individuals or families living in shelters or other unsheltered situations. Providers can use funds to assist with short-term rental assistance, rental arrears, rental application fees, security and utility deposits, utility payments, moving costs, and a range of other services such as credit repair. DHCD encourages the use of rapid rehousing for chronically homeless households or unaccompanied youth.

In an effort to increase the effectiveness and capacity of ESG funded rapid rehousing, DHCD supports local CoCs in:

- Implementing progressive engagement models.
- Increasing connections between the homeless and workforce systems to increase employment opportunities for people in rapid rehousing.
- Building the capacity of Coordinated Entry to quickly match households to permanent housing opportunities and, when necessary, help them transition into permanent supportive housing to avoid becoming homeless again.
- Encouraging providers to establish partnerships with subsidized housing in their communities to increase the availability of permanently affordable housing for households nearing the end of their rapid rehousing assistance.

The State of Maryland has also recently increased its assistance for homeless veterans through various Veterans Administration Grant and Per Diem (GPD) support. DHCD also allocates over \$1 million annually across the state to support programs specifically for unaccompanied homeless youth.

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### State Fiscal Year 2026 (Federal Fiscal Year 2025) Goals:

- Expand partnerships with workforce development programs and affordable housing providers to improve income stability and secure long-term housing placements for program participants.
- Prioritize investments in funding opportunities for rapid re-housing programs that intentionally address developing landlord relationships for sustained partnerships.

### **4 - Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.**

DHCD regularly allocates ESG and State funds for preventive services to help eligible individuals and families avoid homelessness. These funds are available for housing relocation, stabilization services, and short-term rental assistance. Eligible recipients can use the funding to assistance with rental arrears, rental application fees, security and utility deposits, utility payments, moving costs, and a range of other services such as credit repair. The goal of this funding is to ultimately allow individuals or families to achieve housing stability and prevent reentry into an emergency shelter or an unsheltered location.

The State and CoCs work collaboratively to establish strategies and tools for preventing discharges from publicly funded institutions and systems of care - strategies are carried out at both the local and state levels, depending on the system of care. The Maryland Interagency Council on Homelessness has healthcare and youth workgroups which have strategically worked in the past three years on policies and strategies to reduce patient discharges from hospitals to unsheltered settings, reducing the number of youth who age out of foster care and become homeless, and reduce the number of youth that exit juvenile and adult corrections into homelessness.

### State Fiscal Year 2026 (Federal Fiscal Year 2025) Goals:

- Support CoCs with developing discharge coordination protocols with local healthcare facilities, mental health institutions, correctional programs, and foster care systems to prevent exits into homelessness.
- Expand the use of legal and mediation services within prevention programs to resolve tenant-landlord disputes and prevent evictions, aiming to reduce shelter entry from eviction-related causes.

**AP-70 HOPWA Goals – 91.320(k)(4)**

<b>One year goals for the number of households to be provided housing through the use of HOPWA for:</b>	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	26
Tenant-based rental assistance	143
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0
<b>Total</b>	<b>169</b>

**Table 76 – HOPWA Goals**

## **AP-75 Barriers to Affordable Housing – 91.320(i)**

### **Introduction**

This section of the Consolidated Plan discusses specific actions that the State of Maryland anticipates pursuing to address barriers to affordable housing in the region.

**Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment.**

Over the next five years, DHCD is committed to removing or ameliorating barriers towards affordable housing. The department has recently partnered with the Maryland Department of Planning to identify local opportunities to update zoning or other land use policies that may discourage the construction of higher density units. DHCD will also continue to provide funding to eligible developers for the rehabilitation or construction of affordable housing to address the current shortage of units.

## **AP-85 Other Actions – 91.320(j)**

### **Introduction**

The various sections of this Consolidated Plan demonstrated the wide variety of needs for community development, supportive services, and housing in Maryland. The following sections will describe more specific actions DHCD plans to undertake during the next five year period.

### **Actions Planned to Address Obstacles to Meeting Underserved Needs**

An obstacle to meeting underserved needs is considered any issue that is preventing a jurisdiction from realizing a goal. DHCD has identified the following opportunities and actions that will advance the goals and priorities discussed throughout this report:

- Provide funding for the construction and rehabilitation of rental and homeowner housing that are decent and safe.
- Provide funding for homelessness prevention activities to assist at-risk and vulnerable populations experiencing housing instability.
- Increase awareness of available housing and community development programs across the region.
- Improve access to tenant protections including information, legal services, and mediation.
- Expand the availability of emergency rental assistance programs.

### **Actions Planned to Foster and Maintain Affordable Housing**

DHCD is committed to both maintaining and increasing the amount of affordable housing units in Maryland. CDBG, HOME, and HTF funds will be utilized to address the current housing shortfalls through either the construction or rehabilitation of rental housing.

### **Actions Planned to Reduce Lead-Based Paint Hazards**

As discussed in the SP-65 section of this report, DHCD has taken a proactive approach in addressing lead-based paint hazards in Maryland's existing housing stock. Any DHCD program will continue to require that a property demonstrate a lack of lead-based paint or lead paint abatement before funding can be allocated. DHCD will also maintain a close relationship with the Maryland Department of the Environment and provide potentially impacted households with information on existing lead poison prevention programs.

### **Actions Planned to Reduce the Number of Poverty-Level Families**

The State of Maryland remains committed to reducing the number of households living in poverty. The State's anti-poverty strategy is founded on the coordination of resources and strong partnerships at both the state and local levels. These efforts are targeted primarily at assisting individuals and families move from poverty to self-sufficiency by addressing the causes and conditions of poverty across the

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state.

DHCD administers the Community Services Block Grant (CSBG) program on behalf of the State. At least 90% of CSBG funding is distributed to the state's network of seventeen locally-designated Community Action Agencies (CAAs) for various anti-poverty programs. The remaining funds support training, technical assistance, communication, and coordination among the CAA network as well as DHCD administrative costs. A key component of the State's success has been in creating and maintaining these links and coordination at the state and local levels.

Local CAAs also participate on their various jurisdiction's workforce development boards to coordinate an effective delivery of employment and training programs. This effort fulfills the requirements under the federal Workforce Innovation and Opportunities Act. CAAs frequently assist in the implementation of a Two Generation/Whole Family Approach to service delivery whereby organizations work with local governments and nonprofit partners to ensure the coordination of safety net services (such as TANF or SNAP) and identify gaps in services so mutual clients are served effectively and efficiently.

### **Actions Planned to Develop Institutional Structure**

DHCD's institutional structure was discussed in more detail in the SP-40 section of this report. The department will continue to emphasize cultivating relationships with a wide network of public sector, private sector, and non-profit organizations to implement the goals and priorities identified in this Consolidated Plan.

### **Actions Planned to Enhance Coordination Between Public and Private Housing and Social Service Agencies**

Over the next five year period, DHCD will continue to prioritize coordination with public and private housing and social service agencies throughout the state. A particular focus will be placed on the development of a network of Community Housing Development Organizations (CHDO) that will be eligible to receive the regulatory HOME set-aside every year.

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**AP-90 Program Specific Requirements – 91.320(k)(1,2,3)**

**Introduction**

The following sections provide program specific information on four of the State of Maryland's formula grants.

**Community Development Block Grant Program (CDBG)  
Reference 24 CFR 91.320(k)(1)**

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
<b>Total Program Income:</b>	<b>0</b>

**Other CDBG Requirements**

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income.	

Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.

90.00%

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**HOME Investment Partnership Program (HOME)  
Reference 24 CFR 91.320(k)(2)**

- 1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:**

No other forms of investment are currently identified.

- 2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:**

HOME loan funds are used for direct subsidy to assist homebuyers with down payment and closing costs, as well as mortgage write-down assistance, to enable them to purchase a home. Each homebuyer assisted with HOME funds is required to sign a written agreement detailing the terms and conditions of their HOME loan, prior to receiving the loan. A deed of trust is recorded against the purchased property securing the HOME funds. This lien is a non-interest bearing loan. The loans contain an affordability period of five, ten, and fifteen years.

The loan shall be forgiven if the borrower owns and occupies the property during the affordability period. Repayment of the loan is required if the property is no longer the borrower's primary residence. In the event of sale or transfer of all or any portion of the property by the borrower or a holder of a senior lien through a foreclosure the entire amount borrowed will be due. However, the repayment may be limited to net proceeds if the amount of the net proceeds is lesser than the original amount borrowed. The term "net proceeds" means the proceeds from the sale of the property less the unpaid principal balance of any superior and subordinate non-governmental or private loans to the loan. (See Method of Distribution for further explanation of amounts due upon sale or transfer).

While down payment assistance and closing cost assistance are allowable usage of HOME funds, DHCD does not plan on utilizing its allocation to homebuyer activities over the next five years.

- 3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:**

The State of Maryland has chosen to use the recapture provision with HOME funds. Under recapture, there is no requirement that the original HOME-assisted homebuyer sell the unit to another low-income homebuyer. Instead, if the homebuyer transfers the property either voluntarily or involuntarily during the period of affordability, the PJ recovers, from available net proceeds, all or a portion of the HOME assistance to the homebuyers. The guidelines for recapture are mentioned in the question above. During the affordability period compliance is achieved through monitoring to confirm the property is still their primary residence.

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4. **Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:**

There are no active plans to use HOME funds for this purpose.

5. **If applicable to a planned HOME TBRA activity, a description of the preference for persons with special needs or disabilities. (See 24 CFR 92.209(c)(2)(i) and CFR 91.220(l)(2)(vii)).**

Not applicable.

6. **If applicable to a planned HOME TBRA activity, a description of how the preference for a specific category of individuals with disabilities (e.g. persons with HIV/AIDS or chronic mental illness) will narrow the gap in benefits and the preference is needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2)(ii) and 91.220(l)(2)(vii)).**

Not applicable.

7. **If applicable, a description of any preference or limitation for rental housing projects. (See 24 CFR 92.253(d)(3) and CFR 91.220(l)(2)(vii)). Note: Preferences cannot be administered in a manner that limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a).**

Not applicable.

### **Emergency Solutions Grant (ESG) Reference 91.320(k)(3)**

1. **Include written standards for providing ESG assistance (may include as attachment)**

DHCD allows sub recipients (Continuums of Care) to establish ESG written standards for the projects in their jurisdiction. Each CoC's ESG written standards are reviewed annually during either the annual application process or the annual monitoring visit. Continuums of Care are required to have written standards that reflect the policies and procedures established by DHCD in the Homelessness Solutions Program Policy Guide.

2. **If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.**

Each of the ten Continuums of Care in Maryland operates independent Coordinated Entry Systems to track and manage inflow and outflow of individuals and households through the homeless service system. DHCD supports CoCs with training and technical assistance on HUD requirements, best practices, and HMIS tools.

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### **3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).**

Grantees who are eligible for ESG funds are Continuums of Care and Local Homeless Coalitions, primarily those operating in non-entitlement jurisdictions. Funding award recipients then subgrant funds to service providers who consist of non-profits organizations, faith-based organizations, as well as city and county government agencies. Additional information is available in the AP-30: Methods of Distribution section of this report.

### **4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.**

Not applicable.

### **5. Describe performance standards for evaluating ESG.**

DHCD evaluates ESG projects on the following measures and performance targets:

- All Projects
  - HMIS Data Quality – no more than 10% error rate for Rapid Re-Housing, Shelter, or Homelessness Prevention; no more than 35% error rate for Street Outreach
  - Number of Persons Served – meets or exceeds grant expectations
- Outreach
  - Median Enrollment – 90 days or less
  - Exits to Shelter – 50% or more
  - Exits to Permanent Housing – 15% or more
- Shelter
  - Median Length of Stay – 90 days or less
  - Exits to Permanent Housing – 50% or more
- Rapid Re-Housing
  - Prior residence either homeless or institutional setting
  - Gained and/or Increased Income – 10% or more
  - Length of Time between Project Entry Date and Residential Move-In Date – 90 days or less
  - Median Length of Stay – 180 days or less
  - Exits to Permanent Housing – 80% or less
- Homelessness Prevention
  - Household's Prior Residence is Permanent Housing – 100%
  - Percent of Households that Exit to Permanent Housing – 90% or more

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Housing Trust Fund (HTF)  
Reference 24 CFR 91.320(k)(5)

**1. How will the grantee distribute its HTF funds? Select all that apply:**

Applications submitted by eligible recipients

**2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".**

Ninety percent (90%) of the HTF annual allocation will be used for the production, preservation, and rehabilitation of affordable rental housing through the acquisition, new construction, reconstruction, or rehabilitation of non-luxury housing with suitable amenities. DHCD will retain ten percent (10%) of the HTF annual allocation for allowable administrative and planning expenses.

The HTF program requires DHCD to commit funds within 24 months of HUD's execution of the HTF grant agreement.

HTF funds may be allocated to for-profit or non-profit organizations, or other entities which have the demonstrated financial capacity and experience to complete and meet ongoing compliance requirements. A recipient must:

- Provide a certification to the Department that it will comply with the requirements of the HTF program during the entire period that begins upon the selection of the recipient to receive HTF funds, and ending upon the conclusion of all HTF-funded activities,
- Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity;
- Demonstrate its familiarity with requirements of other federal, state, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs; and,
- Have demonstrated experience and capacity to conduct an eligible HTF activity as evidenced by its ability to own, construct, rehabilitate, manage and operate an affordable multifamily rental housing development.

**3. If distributing HTF funds by selecting applications submitted by eligible recipients,**

**a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".**

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HTF funds may be allocated to for-profit or non-profit organizations, or other entities which have the demonstrated financial capacity and experience to complete and meet ongoing compliance requirements. A recipient must:

- Provide a certification to the Department that it will comply with the requirements of the HTF program during the entire period that begins upon the selection of the recipient to receive HTF funds, and ending upon the conclusion of all HTF-funded activities,
- Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity;
- Demonstrate its familiarity with requirements of other federal, state, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs; and
- Have demonstrated experience and capacity to conduct an eligible HTF activity as evidenced by its ability to own, construct, rehabilitate, manage and operate an affordable multifamily rental housing development.

**b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".**

HTF projects will be selected by the Department for funding consideration, subject to availability of funds. Applications will be reviewed for eligibility and evaluated using the Threshold Criteria set forth below. HTF funds will be awarded to eligible projects through a non-competitive, first-ready first-served basis and will be used to complement and in conjunction with on-going Department housing programs to leverage other project funding, make projects financially feasible and increase the number of extremely low income households served in state-funded projects.

HTF funds may be used in projects utilizing RHFP, LIHTC, MBP, Shelter and Transitional Housing Grant Program (STHGP) and any other programs administered by the Department. HTF may also be used with projects receiving non-Department housing program funds such as other state, federal, local/public or private sources. HTF may not be used with any funding sources that cannot be combined with HTF (e.g., Public Housing per 24 CFR §93.203). HTF funds may be requested by a Sponsor as part of a project application or Department staff may, in consultation with a sponsor, propose the use of HTF funds during project review and underwriting. Successful recipients will receive a Notice of Award, which will state the Department's intent to award HTF funds.

**c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".**

DHCD staff will review all applicants to ensure compliance with the minimum threshold requirements as outlined in Section 3.3. in the attached HTF allocation plan. If an application does not meet all of the

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minimum threshold requirements the application will not be considered for financing.

**Market Assessment:** A market assessment of the housing needs of extremely low income individuals to be served by the project must be submitted as part of the application. The assessment should review the neighborhood and other relevant market data to determine there is a current demand for the type and number of housing units being developed.

**Site Control:** Sponsors must have sufficient site control to allow projects to move forward if they receive an award of HTF funds. At the time of application, site control should extend for at least one-hundred and eighty (180) calendar days after the date of the application (including extension options).

Acceptable evidence of site control includes deeds, contracts of sale, leases, purchase options, Land Disposition Agreement and other similar agreements from a local government, or other evidence at the Department's discretion.

**Capital Needs Assessment (For projects acquiring an existing property):** To ensure that the proposed rehabilitation of the project is adequate and that the property will have a useful life that exceeds the affordability period; a Capital Needs Assessment (CNA) of the property by a competent third party shall be submitted with the application. A CNA shall identify any work that must be complete immediately to address health and safety issues, violations of federal or state law, violation of local code, or any work necessary to ensure that the building can continue to operate as affordable housing.

**d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".**

DHCD has determined that a broader set of priorities is necessary to ensure the availability of important resources to all areas and populations in the State. Additionally, it has been determined that the established priorities should serve to guide -- not limit -- funding awards by DHCD. The criteria outlined in the attached HTF Allocation Plan provide incentives for developments that meet these priorities.

Priority is given to projects located in a geographic area defined by applicable law as a community of opportunity for affordable family housing or identified as such by an order or consent decree entered by a federal or State court of competent jurisdiction or by a settlement agreement to which the department or a local government in Maryland is a party. As of the publication of this report, the DHCD is aware of two such settlements:

- 1) Baltimore City: [The case of Thompson v. HUD](#).
- 2) Baltimore County: [The Conciliation Agreement among HUD](#), several complainants, and Baltimore County to designate 116 census tracts in Baltimore County as Communities of

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Opportunity.

HTF funds may also be awarded to a project that is located in one of the following:

- Be located in a rural area. For purposes of this section, a rural area includes any area eligible under the U.S. Department of Agriculture's Rural Development programs or any area in Allegany, Caroline, Dorchester, Garrett, Kent, Somerset, Washington, Wicomico, or Worcester Counties that are not otherwise Community Development Block Grant (CDBG) entitlement communities or HOME Participating Jurisdictions; or
- Be located in any of the following: Certified Heritage Areas within county designated growth areas; Sustainable Communities; Empowerment Zones; Federal or Maryland Enterprise Zones; Main Street/Maple Street Maryland communities; or rural villages designated in county comprehensive plans as of July 1, 1998 and where there is evidence of other recent public investment in the plan area.

**e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".**

See above for DHCD's priority for funding.

**f. Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".**

Priority for funding highly considered for projects with project-based rental subsidies for all of the HTF-assisted units in the project. Documentation from the local Public Housing Authority or other entity must be provided to show that the project-based subsidies will be in place for the term of at least five (5) years with renewal provision. The project-based assistance may be federal, state, or locally funded. Other forms of project-based assistance will be reviewed on a case by case request. For Example: If the Department receives two equal applications, the one with documented project-based rental assistance will be given priority.

**g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".**

HTF-assisted units must meet the affordability requirements for a period of 40 years, which begins at project completion. The affordability requirements will be imposed by a Regulatory Agreement or other similar document recorded in accordance with State recordation laws. The affordability restrictions may be terminated upon foreclosure or transfer in lieu of foreclosure. Each application must include a project pro forma to cover the 40 year HTF affordability period and include rents that are affordable to

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the extremely low income household.

**h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".**

HTF may be awarded to family projects with reasonable access to jobs, quality schools, and other economic and social benefits, as demonstrated by being located in a "Community of Opportunity" as designated by DHCD.

The Communities of Opportunity are based on a "Composite Opportunity Index" developed by the department. The Composite Opportunity Index uses publicly-available data and is based on three major factors: community health, economic opportunity, and educational opportunity. To be designated a Community of Opportunity, and mapped as such to the Maryland QAP Comprehensive Opportunity Maps, the community must have a Composite Opportunity Index that it is above the statewide average.

The three major indicators that comprise the Composite Opportunity Index are:

- Community Health: The community health indicator represents the wealth and quality of life in a community relative to the State average.
- Economic Opportunity: Economic opportunity measures the extent to which a community provides employment opportunity and mobility to its residents.
- Educational Opportunity: Educational opportunity measures the outcomes of student performance and educational attainment in the community.

**i. Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".**

In the award of HTF Funds, DHCD will provide a priority for projects which leverage non-Federal funding sources. For this purpose, non-Federal funding sources will include funding or value raised from the sale of Low Income Housing Tax Credits, as well as loans funded from the proceeds of tax-exempt bonds. DHCD will evaluate the percentage of total development costs funded by non-state resources. For purposes of this section State resources, in accordance with the chart below, include:

- All funding or value generated from competitive LIHTC awards from the State's LIHTC ceiling except any LIHTC awarded as the result of a federally or state designated basis boost;
- Department-administered rental housing resources, including, but not limited to, RHFP, RHW, HOME, NHT, CDBG, the Community Legacy Program, Demolition Funds, and the Partnership

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Rental Housing Program.

Leveraged funding may also include:

- Value earned from a federal or state basis boost;
- Value earned from non-competitive 4% LIHTC awards;
- The proceeds of MBP financing;
- Local contributions (as described below);
- Locally-controlled federal resources such as HOME, CDBG, or State Small Cities CDBG;
- Other non-Department State funding;
- Private financing; and
- Private or philanthropic funding

**4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".**

Yes.

**5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".**

Yes.

**6. Performance Goals and Benchmarks. The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.**

Yes.

**7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds. Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.**

**The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.**

**If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits**

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developed for another program and being adopted for HTF meet the HTF requirements specified above.

Please see the attached HTF allocation plan for more information on the maximum per-unit development subsidies.

**8. Rehabilitation Standards.** The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; Capital Needs Assessments (if applicable); and broadband infrastructure (if applicable).

DHCD requires that all housing units and building exteriors receiving rehabilitation work be brought up to the Maryland Building Performance Standard (COMAR 05.02.07), or county codes whenever more restrictive, and meet minimum livability codes. All work must be performed within industry standards and be of acceptable quality. Upon completion of any project all major systems must have a remaining useful life of a minimum of twenty (20) years, if not; replacement of components will be required. Major systems include structural framing, roofing, cladding and weatherproofing (e.g., windows, doors, siding, gutters), plumbing, HVAC, electrical and elevators.

All materials used in connection with DHCD financed projects are to be new, above Builder Grade quality and without defects.

**9. Resale or Recapture Guidelines.** Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

Not applicable.

**10. HTF Affordable Homeownership Limits.** If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

The grantee has determined its own affordable homeownership limits using the methodology described in § 93.305(a)(2) and the limits are attached.

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**11. Grantee Limited Beneficiaries or Preferences.** Describe how the grantee will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its consolidated plan or annual action plan. If the grantee will not limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population, enter "N/A."

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

Not applicable.

**12. Refinancing of Existing Debt.** Enter or attach the grantee's refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee's refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter "N/A."

Not applicable.

**Appendix A: Alternate/Local Data Sources**

<b>1</b>	<p><b>Data Source Name</b></p> <p>Census Bureau ACS 2022 5-Year Estimates</p>
	<p><b>List the name of the organization or individual who originated the data set.</b></p> <p>U.S. Census Bureau</p>
	<p><b>Provide a brief summary of the data set.</b></p> <p>The ACS is a nationwide survey that collects and produces information on social, economic, housing, and demographic characteristics about our nation's population every year.</p>
	<p><b>What was the purpose for developing this data set?</b></p> <p>The information, collected from all over the United States by the ACS and throughout Puerto Rico by the Puerto Rico Community Survey (PRCS), serve as an impartial measuring stick that is used as the basis for decisions that affect nearly every aspect of our lives.</p>
	<p><b>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</b></p> <p>Every year, the Census Bureau contacts over 3.5 million households across the country to participate in the ACS.</p>
	<p><b>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</b></p> <p>January 2018 to December 2022.</p>
	<p><b>What is the status of the data set (complete, in progress, or planned)?</b></p> <p>Complete.</p>
<b>2</b>	<p><b>Data Source Name</b></p> <p>HUD CHAS Data: 2017 - 2021</p>
	<p><b>List the name of the organization or individual who originated the data set.</b></p> <p>U.S. Department of Housing and Urban Development</p>
	<p><b>Provide a brief summary of the data set.</b></p> <p>These data, known as the "CHAS" data (Comprehensive Housing Affordability Strategy), demonstrate the extent of housing problems and housing needs, particularly for low income households.</p>
	<p><b>What was the purpose for developing this data set?</b></p> <p>The CHAS data are used by local governments to plan how to spend HUD funds, and may also be used by HUD to distribute grant funds.</p>

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	<p><b>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</b></p> <p>Data encompasses national, state, county, and census tract level information.</p>
	<p><b>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</b></p> <p>2017-2021</p>
	<p><b>What is the status of the data set (complete, in progress, or planned)?</b></p> <p>Complete.</p>
<b>3</b>	<p><b>Data Source Name</b></p> <p>Census Bureau ACS 2022 1-Year Estimates</p>
	<p><b>List the name of the organization or individual who originated the data set.</b></p> <p>U.S. Census Bureau</p>
	<p><b>Provide a brief summary of the data set.</b></p> <p>The ACS is a nationwide survey that collects and produces information on social, economic, housing, and demographic characteristics about our nation's population every year.</p>
	<p><b>What was the purpose for developing this data set?</b></p> <p>The information, collected from all over the United States by the ACS and throughout Puerto Rico by the Puerto Rico Community Survey (PRCS), serve as an impartial measuring stick that is used as the basis for decisions that affect nearly every aspect of our lives.</p>
	<p><b>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</b></p> <p>Every year, the Census Bureau contacts over 3.5 million households across the country to participate in the ACS.</p>
	<p><b>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</b></p> <p>Calendar year 2022 (January - December 2022).</p>
	<p><b>What is the status of the data set (complete, in progress, or planned)?</b></p> <p>Complete.</p>
<b>4</b>	<p><b>Data Source Name</b></p> <p>PY 2023 HOPWA CAPER</p>
	<p><b>List the name of the organization or individual who originated the data set.</b></p> <p>State of Maryland Department of Health</p>

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	<p><b>Provide a brief summary of the data set.</b></p> <p>The HOPWA CAPER reports outcomes for the HOPWA program during the most recent program year.</p> <p><b>What was the purpose for developing this data set?</b></p> <p>The HOPWA CAPER is a regulatory requirement for HOPWA entitlement communities.</p> <p><b>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</b></p> <p>The data included in the HOPWA CAPER reflects each of Maryland’s two EMSAs.</p> <p><b>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</b></p> <p>Program Year 2023</p> <p><b>What is the status of the data set (complete, in progress, or planned)?</b></p> <p>Complete</p>
5	<p><b>Data Source Name</b></p> <p>2024 Housing Inventory Count</p> <p><b>List the name of the organization or individual who originated the data set.</b></p> <p>U.S. Department of Housing and Urban Development</p> <p><b>Provide a brief summary of the data set.</b></p> <p>This dataset compiles data submitted by Continuums of Care on their local homeless shelter and housing inventory available and under development during the annual Housing Inventory Count, which is conducted concurrently with the Annual Point-in-Time Count.</p> <p><b>What was the purpose for developing this data set?</b></p> <p>National reporting on the available homeless shelter and housing inventory across the country.</p> <p><b>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</b></p> <p>Data is submitted by all Continuums of Care across the country. The data included in this Consolidated Plan draws from the 10 Continuums of Care operating in Maryland, which collectively represent all 24 counties in the state.</p> <p><b>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</b></p> <p>Homeless shelter and housing inventory available or under development on the night of the Housing Inventory Count, which is held annually in the last 10 days of January.</p>

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	<p><b>What is the status of the data set (complete, in progress, or planned)?</b></p> <p>Complete</p>
6	<p><b>Data Source Name</b></p> <p>Housing Choice Voucher Data Dashboard</p>
	<p><b>List the name of the organization or individual who originated the data set.</b></p> <p>U.S. Department of Housing and Urban Development</p>
	<p><b>Provide a brief summary of the data set.</b></p> <p>The HCV Data Dashboard provides a current snapshot of utilization for HUD’s special purpose voucher programs.</p>
	<p><b>What was the purpose for developing this data set?</b></p> <p>The data dashboard shows budget and leasing trends, reserve balances, program admissions and attrition, per-unit cost and leasing potential for the HCV program nationally.</p>
	<p><b>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</b></p> <p>The data dashboard reports on PHAs in all 50 states.</p>
	<p><b>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</b></p> <p>Point in time data updated in November 2024</p>
	<p><b>What is the status of the data set (complete, in progress, or planned)?</b></p> <p>In progress</p>
7	<p><b>Data Source Name</b></p> <p>HUD Picture of Subsidized Households</p>
	<p><b>List the name of the organization or individual who originated the data set.</b></p> <p>U.S. Department of Housing and Urban Development</p>
	<p><b>Provide a brief summary of the data set.</b></p> <p>National, state, and local data on the utilization of programs that provide subsidies to reduce rents for low-income tenants who meet program eligibility requirements.</p>
	<p><b>What was the purpose for developing this data set?</b></p> <p>This data set was developed to provide an overview of the demographics served by HUD housing subsidies.</p>
	<p><b>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</b></p> <p>The data reflects national, state-level, and local-level information.</p>

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	<p><b>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</b></p> <p>2023</p>
	<p><b>What is the status of the data set (complete, in progress, or planned)?</b></p> <p>Complete</p>
<b>8</b>	<p><b>Data Source Name</b></p> <p>2024 Point-in-Time Count</p>
	<p><b>List the name of the organization or individual who originated the data set.</b></p> <p>U.S. Department of Housing and Urban Development</p>
	<p><b>Provide a brief summary of the data set.</b></p> <p>This dataset compiles data collected from all Continuums of Care during the 2024 Point-in-Time Count on people experiencing homelessness in an unsheltered, emergency shelter, or transitional housing setting.</p>
	<p><b>What was the purpose for developing this data set?</b></p> <p>Data is required to be collected and reported each year by federal law, and supports national goals to assess and understand the numbers and characteristics of people experiencing homelessness.</p>
	<p><b>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</b></p> <p>Data includes all 10 Continuums of Care in Maryland</p>
	<p><b>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</b></p> <p>Data was collected during the 2024 PIT Count, held in the last 10 days of January.</p>
	<p><b>What is the status of the data set (complete, in progress, or planned)?</b></p> <p>Complete</p>
<b>9</b>	<p><b>Data Source Name</b></p> <p>SFY 2024 Statewide HMIS Data</p>
	<p><b>List the name of the organization or individual who originated the data set.</b></p> <p>Maryland Department of Housing and Community Development</p>

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	<p><b>Provide a brief summary of the data set.</b></p> <p>Maryland's 10 Continuums of Care each provided a standard HUD Annual Performance Report (APR) exported from their local HMIS system that included all individuals who were enrolled in a street outreach, emergency shelter, safe haven, or transitional housing project during State Fiscal Year 2024. The dataset includes data on individual counts, demographics, income and benefits, disability, health conditions, exits to housing, length of enrollment, and more.</p> <hr/> <p><b>What was the purpose for developing this data set?</b></p> <p>Evaluate total annual number of people experiencing homelessness in Maryland and their characteristics.</p> <hr/> <p><b>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</b></p> <p>The dataset includes HMIS data from all 10 Continuums of Care in Maryland, and all projects participating in the local HMIS regardless of funding source. The data does not include people staying in domestic violence shelters or privately funded shelters who do not participate in HMIS. HMIS data includes approximately 90% of the total homeless shelter beds in the homeless services system.</p> <hr/> <p><b>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</b></p> <p>State Fiscal Year 2024 (July 1, 2023 - June 30, 2024)</p> <hr/> <p><b>What is the status of the data set (complete, in progress, or planned)?</b></p> <p>Complete</p>
10	<p><b>Data Source Name</b></p> <p>Maryland Balance of State Stella P Data</p> <hr/> <p><b>List the name of the organization or individual who originated the data set.</b></p> <p>Maryland Department of Housing and Community Development</p> <hr/> <p><b>Provide a brief summary of the data set.</b></p> <p>This dataset was created using HUD's Stella P modeling tool in HDX2.0 and the FFY2024 Longitudinal Systems Analysis report submitted by the Maryland Balance of State Continuum of Care. Stella P data includes exits to homelessness, people becoming homeless, and number of days homeless by population and subpopulation.</p> <hr/> <p><b>What was the purpose for developing this data set?</b></p> <p>HUD Longitudinal Systems Analysis Report, Consolidated Plan</p>

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	<p><b>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</b></p> <p>Data includes the Maryland Balance of State CoC geographic area, which includes 9 of Maryland's 24 counties:</p> <ul style="list-style-type: none"> <li>• Western Maryland - Garrett, Allegany, and Washington counties</li> <li>• Central &amp; Northeastern Maryland - Frederick, Cecil and Harford counties</li> <li>• Southern Maryland - Charles, Calvert, and St. Mary's counties</li> </ul>
	<p><b>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</b></p> <p>10/1/2023 - 9/30/2024</p>
	<p><b>What is the status of the data set (complete, in progress, or planned)?</b></p> <p>Complete</p>
<p><b>11</b></p>	<p><b>Data Source Name</b></p> <p>2023 HUD System Performance Measures Data</p> <hr/> <p><b>List the name of the organization or individual who originated the data set.</b></p> <p>U.S. Department of Housing and Urban Development</p> <hr/> <p><b>Provide a brief summary of the data set.</b></p> <p>This dataset includes Continuum of Care (CoC) System Performance Measure data self-reported by each CoC in Maryland</p> <hr/> <p><b>What was the purpose for developing this data set?</b></p> <p>Annual report required by HUD of all Continuums of Care</p> <hr/> <p><b>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</b></p> <p>All 10 Continuums of Care in Maryland are included in the dataset</p> <hr/> <p><b>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</b></p> <p>October 1, 2022 - September 30, 2023</p> <hr/> <p><b>What is the status of the data set (complete, in progress, or planned)?</b></p> <p>Complete</p>
<p><b>12</b></p>	<p><b>Data Source Name</b></p> <p>Foreclosure Inventory</p>

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<p><b>List the name of the organization or individual who originated the data set.</b></p> <p>Attom Data Solutions</p>
<p><b>Provide a brief summary of the data set.</b></p> <p>Foreclosure event data</p>
<p><b>What was the purpose for developing this data set?</b></p> <p>The purpose of this data set is track and monitor foreclosure events throughout the State of Maryland.</p>
<p><b>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</b></p> <p>Data set covers the entire state of Maryland</p>
<p><b>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</b></p> <p>Calendar Year 2024 (January – December 2024)</p>
<p><b>What is the status of the data set (complete, in progress, or planned)?</b></p> <p>Complete</p>

## Appendix B: AP-30 Methods of Distribution (CDBG)

### MARYLAND COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

#### METHOD OF DISTRIBUTION

*Additional information will be provided in the CDBG Policies and Procedures Manual for State Fiscal Year 2026 (July 1, 2025 – June 30, 2026).*

The Maryland Community Development Block Grant Program (CDBG) is a federally funded program designed to assist county and municipal governments with activities directed toward neighborhood revitalization, housing opportunities, economic development and improved public facilities and services. Congress initiated the program in Title I of the Housing and Community Development Act of 1974 and provides funds to the State for non-entitlement areas. Non-entitlement areas are non-urban counties with populations less than 200,000 (minus entitlement cities) and municipalities of less than 50,000 in population.

The State has assumed the responsibility for the administration of the program from HUD and is the responsible entity for ensuring that the program is managed in compliance with regulations and requirements of the CDBG Program, HUD and the State. The Maryland CDBG program is administered by the Department of Housing and Community Development (DHCD). HUD provides the State with “maximum feasible deference” to create additional policies, be more restrictive than HUD in policies and interpretation of regulations, and to determine how funds will be distributed. Additionally, the State may choose not to fund certain types of projects though they are eligible.

The State provides CDBG funds primarily as gap funding for projects selected by jurisdictions to meet their needs. The funds will be awarded through two categories - Community Development and Special Projects. DHCD will award funds for projects from the Community Development category through an annual competition. DHCD will award funds for Special Projects through a “first come, first serve” basis.

The primary objectives of the Maryland CDBG program are to develop viable communities by funding activities that result in decent housing, improved and expanded infrastructure; access to facilities, and to meet the critical needs of Maryland's communities. The program provides public funds for activities that meet at least one of the following national objectives as required by Title I of the Housing and Community Development Act of 1974, as amended (HCD Act):

- gives maximum feasible priority to activities that will benefit low and moderate income (LMI) persons and households;
- aids in the prevention or elimination of slums or blight; or
- meets community needs that are of an urgent nature or an immediate threat to community health and welfare.

Additional Maryland CDBG program objectives include:

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- revitalizing older neighborhoods and established communities;
- leveraging CDBG funds with other public assistance programs and private resources;
- directing growth to existing population centers;
- providing essential public services to low and moderate income persons;
- encouraging collaboration with state, federal and local programs focused on community development, economic development and planning efforts;
- supporting initiatives that support new construction production or preservation of affordable homeownership;
- supporting capital and non-capital investments that support the homeless; and
- projects in designated ENOUGH Communities that directly or indirectly benefit children living in poverty.

The federal CDBG program regulations can be found in Title 24 of the Code of Federal Regulations Part 570 (24 CFR Part 570).

**STATE FISCAL YEAR 2026 / FEDERAL FISCAL YEAR 2025 ALLOCATION**

As HUD funding announcements have not been made at this time, the State anticipates receiving less than the amount received for SFY25/FFY24 which was \$8,369,791. The reduction is due to the designation of Frederick County as a CDBG Entitlement Community. The County will receive a direct allocation of funds for itself and the municipalities. The estimated amount to be received by the State is \$7,500,000 and it will used it as follows:

<b>STATE OF MARYLAND CDBG ALLOCATION – FFY 2025</b>	
State Administration (2% + \$100,000)	\$250,000
Technical Assistance (1%)	\$75,000
Community Development (72% - \$100,000)	\$5,300,000
Special Projects (25%)	\$1,875,000
<b>TOTAL</b>	<b>\$7,500,000</b>

The formula will remain the same for whatever amount is received.

The State will match the 2% administrative allowance with State general funds as required. The 1% Technical Assistance funds will be used to pay for program administrative costs related to providing technical assistance to grantees and potential CDBG recipients. The State may also use 3% of program income returned during the program year for administration and technical assistance. In the annual Performance Report, the State will calculate the amount used and determine the State’s required match.

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Throughout the year, any funds from previous years not awarded or other funds that become available will be awarded to projects as needed under Special Projects or through the next competitive funding round. This also includes funds received due to monitoring findings, recaptures or the return of program income. At this time, the State anticipates receiving at least \$325,000.

All funds awarded in SFY 2026/FFY 2025 will be included in the annual Performance Report.

### NATIONAL OBJECTIVE AND ELIGIBLE ACTIVITIES

Title I of the Housing and Community Development Act of 1974 requires that any project funded with CDBG funds must meet a national objective and the activities must be eligible. There are three national objectives: 1) benefit to persons of low and moderate income (LMI); 2) prevention or elimination of slum and blight; or 3) meet an urgent need that is an immediate threat to community health, safety or welfare. Though discussed below, additional information about meeting national objectives are found in the section entitled “CDBG Income Determination and Qualification.”

### NATIONAL OBJECTIVE

***Benefit to LMI Persons Thru Area Benefit Activities*** – For projects that benefit an entire town/city or a primarily residential service area, neighborhood or street that has an LMI population that is 51% or greater. LMI information is provided by HUD using American Community Survey data for towns and cities. Communities must undertake surveys using methodology provided by the State to determine the LMI population of a specific project area. Examples of projects include: construction of new water or sewer service, installation of sidewalks, construction of flood and drainage improvements, and construction or renovation of a community center.

***Benefit to LMI Persons Thru Limited Clientele Activities*** – For projects that benefit LMI persons that are “presumed” to be LMI or are qualified based on data about family size and income. Examples of projects include: construction of senior centers, renovation of Head Start centers, ADA improvements to public buildings or streets, construction or renovation of housing for disabled adults, and operating costs for a new homeless shelter.

***Benefit to LMI Persons Thru Housing Activities*** – For projects that benefit an LMI household that is qualified based on data about household size and income. Examples of projects include: construction of new rental housing, renovation and resale of housing units, single family housing rehabilitation, household connections to new water or sewer services, and downpayment assistance for LMI homebuyers.

***Benefit to LMI Persons Thru Job Creation Activities*** – For projects that result in the creation of new jobs and at least 51% of the created jobs are taken by LMI persons. Examples of projects include: construction of infrastructure to support a new business, extension of rail service to an industrial park, building improvements, and acquisition of manufacturing equipment.

***Benefit to LMI Persons Thru Job Retention Activities*** – For projects that result in the retention of jobs and at least 51% of the retained jobs are held by LMI persons. Use of this objective requires evidence that

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permanent jobs would be lost without CDBG assistance. Examples of projects include: construction or extension of utilities, building construction, construction or improvements of public infrastructure, and acquisition of a building.

### ***Prevention or Elimination of Slum and Blight on A Spot Basis***

### ***Prevention or Elimination of Slum and Blight on An Area Basis***

***Meeting an Urgent Need*** – For projects that pose a serious and immediate threat to the health and welfare of a community, are of recent origin, and other funding sources are not available.

Applicants seeking funds for projects that would meet the national objective of meeting an urgent need must contact CDBG program staff to determine if their proposed project qualifies. If it is determined that it qualifies, the application would be considered for funding under the Special Projects category. Supplemental pages would be provided for an applicant to complete regarding urgent need projects.

### **ELIGIBLE ACTIVITIES**

Activities assisted under the State CDBG program may include the following as defined more specifically in Section 105(a) of Title I of the Housing and Community Development Act of 1974 (“HCD Act of 1974”), 42 U.S.C. § 5305(a), as amended. More detailed information may be found in the HUD Guide to National Objectives and Eligible Activities (State and Small Cities Program) which is available on the HUD Exchange website.

1. Acquisition of real property.
2. Acquisition, construction, reconstruction, or installation of public works facilities.
3. Code enforcement in deteriorating areas.
4. Clearance, demolition, removal, reconstruction, and rehabilitation of buildings and improvements.
5. Removal of material and architectural barriers which restrict mobility and accessibility of elderly or handicapped persons.
6. Provision of a new or quantifiable increase in a public service.
7. Payment of the non-federal share required in connection with a federal grant-in-aid program undertaken as part of the program.
8. Relocation payments for displaced individuals, families, businesses, organizations and farm operations.
9. Planning.
10. Payment of reasonable administrative costs.
11. Assistance including loans and grants for activities carried out by public or private nonprofit entities, including:
  1. acquisition of real property;
  2. acquisition, construction, reconstruction, rehabilitation, or installation of:
    - a. public facilities (except for buildings for the general conduct of government), site improvements, and utilities;

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- b. commercial or industrial buildings or structures;
  3. planning.
12. Assistance to neighborhood-based non-profit organizations, local development corporations, and nonprofit organizations serving the development needs of communities of non-entitlement areas or entities organized under Section 301(d) of the Small Business Investment Act of 1958, 15 U.S.C. § 681(d), to carry out a neighborhood revitalization or community economic development or energy conservation project.
13. Activities necessary to the development of energy use strategies related to the recipient's development goals.
14. Provision of assistance to private for-profit entities, when the assistance is appropriate to carry out an economic development (ED) project.
15. Rehabilitation or development of housing assisted under former Section 17 of the United States Housing Act of 1937, 42 U.S.C. § 1437.
16. Housing services such as housing counseling, energy auditing, preparation of work specifications, loan processing, inspections, tenant selection, management of tenant based rental assistance.
17. Direct assistance to facilitate and expand homeownership among LMI persons.

### ELIGIBILITY REQUIREMENTS

To be eligible for CDBG funding, each application submitted for funding must meet the following eligibility requirements:

- The applicant is an eligible non-entitlement jurisdiction which is a municipal government with a population under 50,000 or a county government with a population of less than 200,000 (this count excludes HUD entitlement jurisdictions within the county);
- The proposed activities are eligible under Title I of the Housing and Community Development Act of 1974, as amended;
- The proposed project meets a national objective as required under 24 CFR Part 570;
- The proposed (if any) subrecipient or business is eligible;
- The project is located in a Maryland Priority Funding Area, except for public services; single family housing rehabilitation; acquisition, renovation and sale of existing houses; downpayment assistance or where the Secretary of DHCD determines that the project is necessary to protect public health, to alleviate personal economic hardship in an emergency situation, to promote economically integrated housing, is consistent with an overall economic development strategy, or where an exception is necessary and has been granted through the Maryland Department of Planning exception process.

A municipal or county government may submit an application on behalf of a subrecipient or business *if they choose to do so*. It is recommended, but not required, that municipalities and counties develop written policies that outline their processes to determine if they would submit a CDBG application on behalf of another entity. The jurisdiction is expected to conduct a risk analysis to review and evaluate the financial and administrative capacity of the subrecipient or business to manage and complete a project.

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This risk analysis should also include a determination that the entity will be able to support the operations of the requested facility, housing, or services to be provided as required by the CDBG Program.

Eligible subrecipients include:

- governmental agencies such as housing authorities or, in the case of a county, it could be a municipality;
- non-profit organizations that are corporations, associations, agencies or faith-based organizations with non-profit status under IRS Section 501(c)(3);
- for-profit businesses that are in “Good Standing” in the State of Maryland;
- Community Based Development Organizations (CBDOs) that have been certified by the CDBG Program; and
- Community Housing Development Organizations (CHDOs) that have been certified by the State HOME Program with a geographic area of operation of no more than one neighborhood.

Eligible non-profit organizations must have specific information in their organizational by-laws and mission statements that clearly state they primarily serve persons who are of low and moderate income and/or a specific population that is eligible for CDBG assistance.

CBDOs and CHDOs may partner with affordable housing organizations for construction of new housing or renovation of existing housing.

If funded, a grantee will be required to execute either a Subrecipient Agreement or a Jobs Agreement with the specific entity. These agreements bind them to the requirements and policies of the CDBG program and the grantee.

### PROGRAM REGULATIONS, REQUIREMENTS AND POLICIES

Grants must be implemented in compliance with the requirements found in the HCD Act of 1974, the CDBG program regulations found in 24 CFR 570, other federal regulations, and state policies and procedures. While most are not applicable until a project is funded and underway, some have to be considered when submitting an application for funding as they may impact cost, schedule, staffing, etc. The most notable are listed below:

**1. Acquisition - Uniform Relocation Act** – Grantees must comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (49 CFR Part 24) when acquiring property and permanent easements that are required for a project, or when residents or businesses are displaced as a result of a project. Additional regulations regarding relocation of displaced persons or businesses are found in 24 CFR Part 42 and Section 104(d) of the HCD Act. *Note that this regulation applies to the project funded with federal funds, not the specific activity.*

**2. Audits** – If a grantee spends more than \$750,000 of federal funds from any source during their fiscal year, they are required to have a Single Audit prepared in conformance with the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR Part 200).

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**3. Build America, Buy America Requirements** – The Building America, Buy American (BABA) established domestic procurement preferences for all infrastructure projects funds with CDBG funds.

**4. Conflict of Interest** - Grantees must comply with federal Code of Conduct or Conflict of Interest Standards found in 2 CFR Part 200 and 24 CFR Part 570.489 which includes having a written policy. Additionally, State of Maryland law requires local governments to adopt conflict of interest restrictions and financial disclosure requirements for local elected officials and candidates that are at least as stringent as the requirements for public officials contained in the Public Ethics Law. More information regarding the Local Government Ethics Law can be found at COMAR, Title 19A, Subtitle 04, Local Government Ethics Law. *Note that those exempt from this requirement under the State of Maryland law must still comply with federal requirements.*

**5. Environmental Review** – Grantees must comply with the National Environmental Policy Act of 1969 and other federal laws which are specified in 24 CFR Part 58. This review must be completed prior to the initiation of project activities regardless of the funding source. A project is defined as the sum of all elements or activities, not just those funded with CDBG. No activities are to begin until a Release of Funds has been issued by the CDBG Environmental Officer. *Note construction restrictions below under New Construction.*

**6. Fair Housing and Equal Opportunity** – Grantees must demonstrate their compliance with numerous federal laws, regulations, and Executive Orders as a recipient of a CDBG award and in their general conduct of operating a government. The most relevant regulations are related to non-discrimination when using HUD funding programs; non-discrimination and equal opportunity in housing; non-discrimination on the basis of race, color, religion, sex, national origin, handicap or familial status in programs and activities receiving or benefiting from federal assistance; and employment and contracting opportunities for lower income persons or minority businesses. The grant agreements issued for funded projects will identify all that apply and the specific requirements. Note that these requirements must be met by subrecipients and businesses too.

**7. Fair Housing and Equal Opportunity – Disadvantaged Businesses** – When procuring construction or services, grantees are to take affirmative steps to solicit bids from minority owned businesses (MBE) and women owned businesses (WBE).

**8. Fair Housing and Equal Opportunity - Section 3** – Section 3 applies to construction projects funded with a minimum of \$200,000 of CDBG and other HUD funding. To the greatest extent feasible, “Section 3 Business Concerns” and/or “Section 3 Workers” are to be work on projects. Grantees must report on total labor hours for the entire project, making the best effort to ensure that 25% of labor hours are provided by Section 3 workers. Additionally, a minimum of 5% of those hours are to be provided by Targeted Section 3 Workers.

Section 3 does not apply to single family housing rehabilitation programs unless the cost per house exceeds \$200,000 in federal HUD funding.

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**9. Financial Management** - Grantees must comply with appropriate sections of 2 CFR Part 200, 24 CFR 570.489 and State regulations and requirements in the financial management of their federal grant. CDBG funds should only be spent on costs that are deemed as “reasonable and necessary.” *The CDBG Program Financial and Procurement Manual* will provide additional information.

**10. Generators** – If CDBG funds are used for acquisition, construction or renovation of multi-family rental housing developments or facilities owned by the government, such as senior centers, community centers or other multi-use building, then grantees or subrecipients must install generators. The generator should have sufficient capacity to power, at a minimum, lighting in common areas.

**11. Housing – Acquisition, Renovation and Resale** – For houses that are renovated as part of an acquisition, renovation and resale program, the maximum amount of CDBG funds to be used per house is set at \$200,000. Waivers of this policy may be considered for extenuating circumstances related to unforeseen factors.

**12. Housing - Broadband** – Per revisions to 24 CFR Part 570.482, the use of HUD funding for the construction or substantial rehabilitation of a building with more than 4 rental housing units requires the installation of broadband infrastructure to provide access to internet connections in individual housing units. It must meet the definition of “advanced telecommunications capability” determined by the Federal Communications Commission under Section 706 of the Telecommunications Act of 1996.

Substantial rehabilitation is defined as: 1) complete replacement of the electrical system or other work for which the pre-construction cost estimate is equal to or greater than 75% of the cost of replacing the entire system in the building undergoing rehabilitation; or 2) rehabilitation of the building undergoing rehabilitation where the pre-construction estimated cost of the rehabilitation is equal to or greater than 75% of the total estimated cost of replacing the housing after the rehabilitation has occurred. The replacement cost is for the building undergoing rehabilitation only.

Exceptions may be granted by the State if it is determined: 1) the location of the new construction or substantial rehabilitation makes installation of broadband infrastructure infeasible; 2) the cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or is an undue financial burden; or 3) the structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible.

**13. Housing – Fair Market Rents** - Per 24 CFR Part 570.483(b)(3), the rents charged for rental properties assisted with CDBG funding must be affordable. When funded, a grantee must adopt and make public its standards for determining “affordable rents.”

For projects assisted with other state and/or federal affordable housing funding, the contract rents for those units may not exceed the Fair Market Rents established annually for the county by HUD or the rent standards published by the state or federal funding agencies. The rents for these units must remain affordable for the defined term required by the other funding source or the term set forth below, whichever is greater.

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For projects that do not include other state and/or federal affordable housing funding, the contract rents for those units may not exceed the Fair Market Rents established annually for the county by HUD. The rents for these units must remain affordable for the defined term set forth below.

The CDBG grantee shall enforce this requirement with a lien or other legal mechanism between themselves and the developer of the property, if applicable. The terms shall be no less than:

FUNDING AMOUNT	LENGTH OF TERM
Up to \$400,000 in CDBG funds	10 years after occupancy date
Between \$400,001 and \$600,000 in CDBG funds	15 years after occupancy date
Above \$600,001 in CDBG funds	20 years after occupancy date

Rents may be increased on an annual basis at the time of lease renewal consistent with changes in the rent standard for the project, but in no case, will the project owner be required to reduce rents. Rents must be checked annually by the grantee.

**14. Housing – Homeownership Financial Assistance** - If CDBG funds are used to provide financial assistance (i.e. downpayment and/or closing costs) to homebuyers, the grantee is required to place a lien on each property which receives assistance. The Grantee is required to use either the following terms or their own, whichever is stricter:

- Assistance up to \$10,000 will require a lien placed on the property for five (5) years
- Assistance above \$10,100 will require a lien placed on the property for ten (10) years

**15. Housing – Homeownership Requirements** – When using CDBG funds in conjunction with any homeownership activities: 1) no subprime mortgages are allowed for persons acquiring the houses; 2) no adjustable rate mortgages are allowed for persons acquiring the houses; 3) mortgages must be for a fixed rate for a minimum of 30 years; and 4) a minimum of 8 hours of housing counseling from a HUD approved housing counseling agency is required for persons acquiring the houses.

**16. Housing – Housing Rehabilitation Program Policy** – The CDBG Program has policies that must be followed when using funds for single family, owner occupied housing rehabilitation programs. In general, all housing must be improved and meet local livability code requirements or housing quality standards upon completion of improvements. Grantees are allowed to use up to 25% of award for emergency repairs if this is an approved activity in their grant agreement. Upon approval of funding, local program policies must be submitted and approved to ensure that all current federal and state policies and requirements are included. Grantees may provide a maximum of \$40,000 as a grant per house. There is no maximum loan amount. Note that these requirements do not apply for utility connections that are part of a water/sewer project.

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**17. Housing - Housing Rehabilitation Program Restriction** – The CDBG Program will only accept applications for housing rehabilitation programs from county governments. The exceptions to this restriction are active municipal programs with open or recent CDBG housing rehabilitation grants and in instances where a municipality is the applicant but the activities are to be administered by the county government.

**18. Housing – Housing Rehabilitation Age of House/Lead Paint Restriction** - The use of CDBG funding for single family housing rehabilitation is only for houses constructed after 1978 unless there is documentation demonstrating the house is free of lead based paint. This documentation can include negative tests or certifications showing that lead based paint has been sufficiently treated and abated. This restriction does not apply to renovation of multi-family housing, renovation and resale projects or to water/sewer connections. CDBG funds cannot be spent on testing.

**19. Housing - New Construction** – The use of funds for the construction of new housing is prohibited under CDBG with the exception of the following:

- New construction activities can be carried out by a Community Based Development Organization (CBDO) that has been certified by the CDBG Program. They can partner with an affordable housing development organization;
- New construction activities can be carried out by a Community Housing Development Organization (CHDO) that has been certified by the State HOME Program. They can partner with an affordable housing development organization;
- To support new housing construction, grantees and non-profit subrecipients can acquire property and resell it to an affordable housing organization;
- To support new housing construction, grantees may clear a site in preparation for housing; or
- To support new housing construction, grantees can make public improvements on publicly-owned property or privately-owned land if operated by grantee and an easement is obtained.

Certifications for CBDO's and CHDO's must be completed and approved prior to the submission of an application. Interested organizations must contact the CDBG Program for further discussion and forms.

Grantees may construct housing of “last resort” for persons displaced as a result of a CDBG funded activity and no comparable replacement house is available.

**20. Housing - Rental Housing Renovation Restriction** – When using CDBG funds for the renovation of rental housing, the use of CDBG funding is restricted to: 1) the acquisition of a developed property in compliance with 49 CFR Part 24 and must be acquired after the CDBG funds are awarded; 2) construction activities that are competitively procured after the CDBG funds are awarded using the CDBG procurement policy; or 3) procurement of construction materials using the CDBG procurement policy.

**21. Insurance - Flood** – Flood insurance is required for all buildings acquired, rehabilitated or renovated, including housing, that are located in the floodplain. The grantee is required to ensure that subrecipients, businesses and homeowners maintain sufficient replacement insurance. Files must contain appropriate documentation. Insurance is to be maintained for the term of use, lien period, or loan term. This does

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not apply to recipients of funds for utility connections. Failure to enforce the flood insurance requirement will result in repayment of all CDBG funds used for that building.

**22. Insurance – Homeowner or Building** – Homeowner or building insurance is required for all buildings acquired, constructed or renovated with CDBG funds. The grantee is required to ensure that subrecipients, businesses and homeowners maintain sufficient replacement insurance. Files must contain appropriate documentation. Insurance is to be maintained for the term of use, lien period, or loan term. This does not apply to recipients of funds for utility connections. Failure to enforce the insurance requirement will result in repayment of all CDBG funds used for that building.

**23. Labor - Davis Bacon and Related Acts** – Funded CDBG projects that result in construction contracts that exceed \$2,000 are subject to the federal Davis-Bacon Act, the Contract Work Hours and Safety Standards Act of 1962, and the Fair Labor Standards Act. This does not apply to the rehabilitation or renovation of residential structures designed for less than eight units when completed or for contracts impacting seven or less housing units.

**24. Labor – Force Account** - Grantees may use costs associated with Force Account labor, which is undertaken by employees of the jurisdiction, as leverage for a CDBG funded project. Costs must be documented using guidance and materials provided by the State.

**25. Lead Paint** – Grantees must comply with 24 CFR Part 35 and 40 CFR Part 745 when undertaking renovation, repair or painting activities that disturb painted surfaces in buildings converted into housing, homeless shelters, and several other types of projects in buildings that were built before 1978. As of April 22, 2010, work performed as identified in the regulations must be completed by certified firms using certified renovators and workers trained in lead-safe work practices established by the Environmental Protection Agency.

**26. Maintenance Plans** – If CDBG funds are used for acquisition, construction or renovation of public facilities, multi-family rental housing developments or infrastructure projects, grantees must provide an acceptable maintenance plan to be approved prior to completion of construction or activity. The plan must outline steps to be taken to ensure that maintenance is a priority of the project constructed with federal funds. This would include inspection schedules and scope of work to be undertaken if there is a warranty, annual inspections and reports, documentation of maintenance actions, etc. Grantees must also identify how funding for short-term and long-term maintenance and replacement costs will be addressed.

**27. Manufacturing Equipment** – If CDBG funds are used for the acquisition of manufacturing equipment for an economic development project, the grantee must secure the equipment with a lien or other mechanism to ensure that it is not sold or removed by the business prior to the end of the retention period and closeout of the grant.

**28. New Construction – Prohibition** - In accordance with Executive Order 14030 and 24 CFR Part 55, the CDBG Program will not fund projects involving new construction in the following areas: special flood hazard areas, 100 year floodplains, regulatory floodways, and coastal high hazard areas.

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Projects involving new construction that are located in 500 year floodplains and non-special flood hazard areas could be eligible depending on compliance with 24 CFR Part 55 and Part 58.

New construction activities related to replacement or improvements to existing infrastructure projects are allowed depending on compliance with 24 CFR Part 55 and Part 58.

**29. Preliminary Engineering** – If an applicant receives funding for preliminary engineering for infrastructure projects, they must comply with the U.S. Department of Agriculture’s (USDA) preliminary engineering requirements (PER) if they are planning on seeking construction funding from CDBG, USDA or the Maryland Department of the Environment.

**30. Procurement** - Grantees are to comply with requirements and processes as identified in the *CDBG Program Financial and Procurement Manual* for all procurement activities. The use of the same policy by all grantees ensures compliance with appropriate sections of 2 CFR Part 200, 24 CFR 570.489 and State regulations and requirements when purchasing materials, products or services with federal funds.

**31. Program Income** - Program Income is defined as gross income received by the grantee, subrecipient or business directly generated from the use of CDBG funds. The State chooses to classify all funds received as program income and does not recognize the \$35,000 limit identified in the regulations. Program Income includes, but is not limited to, the following:

- proceeds from the disposition by sale or long term lease of real property purchased or improved with CDBG funds;
- proceeds from the disposition of equipment purchased with CDBG funds;
- gross income from the use or rental of real or personal property acquired by the recipient or a subrecipient with CDBG funds, less the costs incidental to the generation of the income;
- gross income from the use or rental of real property owned by the recipient or a subrecipient that was constructed or improved with CDBG funds, less the costs incidental to the generation of the income;
- principal and interest payments on loans made using CDBG funds for single family housing rehabilitation;
- interest earned on funds held in a revolving loan fund account;
- interest earned on program income pending disposition of the income; or
- funds collected through special assessments made against properties owned and occupied household not of LMI, where the assessments are used to recover all or part of the CDBG portion of a public improvement.

All Program Income funds must be returned to the State unless the grantee has an approved *Program Income Re-Use Plan*. The State may use 3% of any program income returned to the State during the program year for administration and technical assistance.

A *Program Income Re-Use Plan*, which includes a description of the proposed fund management method to manage the funds and the capacity of the grantee to comply with State and federal regulations, must be submitted as part of the application and approved by DHCD, depending on the category. The decision

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to permit retention of program income by the grantee will be made on a case-by-case basis. *Program Income Re-Use Plans* must be approved for each grant. If there is not an approved *Program Income Re-Use Plan*, program income is to be returned to the State upon receipt.

If a plan is approved, program income may be retained by the grantee provided the grantee pledges its general funds to reimburse the State for any financial liability related to negative findings by the State and/or HUD with regard to the re-use of income. Grantees must also ensure that:

- the program income is targeted for an eligible CDBG activity(s) that meets a national objective and for which DHCD has given approval;
- all applicable compliance requirements are met;
- reporting is accurate; and
- activities are completed in a timely manner.

Typically, program income is targeted for use for the “same activity” which is defined as an activity with the same purpose and the same location as the activity generating the program income. Grantees will be required to report on activities. Activities funded with program income are subject to the same reporting and monitoring requirements as other projects.

The State reserves the right to cancel or alter approved *Program Income Re-Use Plans* based on the performance of a grantee or subrecipient.

Any program income that is distributed by the State during the period beginning with the date HUD awards the annual grant to the State is considered to be covered by the current Consolidated Plan.

**32. Project Administration Costs** – All costs supporting project administration or project delivery must be documented. Timesheets must be maintained for all persons paid with CDBG funds. Timesheets must reflect actual hours worked on the project. Grantees will also be required to document their paid and in-kind costs committed as leverage.

**33. Special Assessment/Recovery of Costs** – Grantees will not attempt to recover any capital costs of public improvements assisted in whole or part with CDBG funds by assessing any amount against properties owned and occupied by LMI persons. This includes any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if CDBG funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, then an assessment or charge may be made against the property with respect to the public improvements financed by a source other than with CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds if the State certifies that it lacks CDBG funds to cover the assessment.

**34. Term of Use - Buildings and Facilities** – Buildings and facilities acquired, constructed or renovated with CDBG funds must remain in the approved use for a specific period of time. For a grantee, the “term

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of use” shall be identified in the grant agreement. For a grant with a subrecipient or business, the grantee shall enforce this requirement with a lien or other legal mechanism between themselves and the subrecipient or business on the property. The term shall be in effect after the occupancy permit is issued. The terms shall be no less than:

FUNDING AMOUNT	LENGTH OF TERM
Up to \$400,000 in CDBG funds	10 years after occupancy date
Between \$400,001 and \$600,000 in CDBG funds	15 years after occupancy date
Above \$600,001 in CDBG funds	20 years after occupancy date

If the term cannot be met, the grantee must contact the CDBG Program to discuss future actions and consequences. Options could include changing the use of the building to one that still meets a national objective or the return of funds based on regulatory requirements. All will be considered on a case-by-case basis.

During the CDBG Term of Use, the grantee shall not, and shall not allow any subrecipient or business to (a) create, incur, assume or suffer to exist any mortgage, pledge, security interest, encumbrance, lien, charge, conditional sale or other title retention agreement, or lien of any kind on property or improvements (or any part thereof or income therefrom) acquired or constructed/renovated with CDBG funds; or (b) make, create, permit or consent to any conveyance, sale, assignment or transfer of the property or improvements (or any part thereof) acquired or constructed/renovated with CDBG funds.

**35. Violence Against Women Act** – Grantees are to support an individual’s right to seek law enforcement or emergency assistance by complying with the “Right to Report Crime and Emergencies from One’s Home” which was included under the Violence Against Women Act Reauthorization Act of 2022 (VAWA). Specifically, CDBG grantees are to:

- report on the existence of laws or policies they have adopted that impose penalties based on requests for law enforcement or emergency assistance or based on criminal activity that occurred at a covered property; and
- certify that they are in compliance or describe the steps necessary to remedy laws and policies that may be non-compliant.

Examples of local laws and actions that may penalize survivors for reporting crimes:

- Nuisance property ordinances that includes fines for an excessive number of calls for emergency or ambulance services and/or incidents of domestic violence;
- Laws that lack exceptions for cases where the resident or tenant is a survivor of domestic violence or another crime, or for calls for emergency assistance by persons with disabilities;

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- Laws that do not specify domestic violence as a nuisance but still penalize survivors due to having a broad definition of “nuisance activities: (e.g. disturbing the peace, excessive noise, disorderly conduct, or “excessive” calls to emergency services).

The Right To Report law seeks to eliminate how nuisance ordinances and crime-free programs negatively impact survivors. These impacts include:

- Dissuading survivors from contacting law enforcement and emergency services for fear of fines, fees and eviction;
- Experiencing homelessness and possibly the loss of children as a result of eviction;
- Compromising future rental eligibility because of an eviction history or criminal history due to a wrongful domestic violence arrest;
- Discriminatory policing;
- The adverse impact on survivors with disabilities who may require emergency services with some frequency.

Further information will be provided to grantees after awards are made.

**36. Water and Sewer Projects** – To meet the national objective for projects involving the construction or extension of water and sewer service, it is mandatory that all households and businesses (if an economic development project) in the service area are connected to the system. The national objective will not be met until all persons, households or businesses are receiving the intended benefit. In the event households refuse to connect, the grantee must document that the households are being charged the monthly cost for the benefit they choose not to use.

The physical connection of households to water and sewer systems is an eligible activity for qualifying LMI households under the national objective of benefit to LMI persons through housing activities. As such, the total household income must be considered and verified to determine the eligibility of the household. Liens are required to protect the benefit.

### NEW REQUIREMENTS AND POLICIES FOR 2026

**1. Build America, Buy America Requirements** – The Build America, Buy America Act (BABA) established domestic procurement preferences for all infrastructure projects funded with federal financial assistance. Specifically, BABA requires that all iron, steel, manufactured products and construction materials are produced in the United States.

For CDBG grants funded between July 1, 2023 and June 30, 2024, BABA applied *only* to the purchase of iron and steel and requires that all manufacturing from the initial melting stage through the application of coatings has occurred in the United States.

For CDBG grants funded after July 1, 2024, BABA will *also* apply to the purchase of the following *specifically listed* construction materials:

- Non-ferrous metals

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- Plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables);
- Glass (including optic glass);
- Fiber optic cable (including drop cable);
- Optical fiber;
- Lumber;
- Engineered wood, and
- Drywall.

For CDBG grants funded after July 1, 2025, BABA will *also* apply to the purchase of the following construction materials that were not listed above. This includes:

- Plastic and polymer-based products other than composite building materials or plastic and polymer-based pipe or tube;
- glass (including optic glass)\*; and
- drywall\*.

Additionally, for CDBG grant funded after July 1, 2025, BABA will *also* apply to the purchase of the following manufactured products:

- Articles, materials or supplies that have been:
  - Processed into a specific form and shape; or
  - Combined with other articles, materials or supplies to create a product with different properties than the individual articles, materials or supplies.

BABA applies to all projects involving construction, alteration/rehabilitation, maintenance or repair of infrastructure. For purposes of BABA, “infrastructure” includes, at a minimum, the structures, facilities and equipment for roads, highways, and bridges; public transportation; dams; water systems including drinking water and wastewater systems; broadband; electrical transmission facilities and systems; utilities; facilities that generate, transport and distribute energy; and buildings and real property. Non-CDBG eligible activities were not included on this list.

**2. Housing – Loans** – CDBG funds can no longer be used as loans for multi-family housing construction and renovation projects.

### APPLICATION SUBMISSION

The following regulations, requirements and policies apply to submission of a CDBG application regardless of funding category.

**1. Citizen Participation Requirements** – Governments must comply with citizen participation requirements when seeking CDBG funding and implementing CDBG funded projects. The State requires a jurisdiction to adopt and maintain a written *Citizen Participation Plan* which outlines and describes their efforts in soliciting citizen input and responding to concerns and questions.

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A jurisdiction's *Citizen Participation Plan* is effective for a five year period. The plan must be current at the time of application. If it is not current or the applicant does not have one, the applicant must adopt and submit a new plan with their application.

**2. Public Hearing** - A jurisdiction is to conduct at least one public hearing prior to submission of an application for a CDBG project. Failure to conduct the hearing as required will result in the rejection of the application as it will not be in compliance with Citizens Participation requirements.

Hearings must take place in conjunction with a regularly scheduled meeting of the elected public officials of the municipality or county that is submitting the application(s). At the hearing, the jurisdiction should discuss local community development, economic development and housing needs. While the hearing allows for a jurisdiction to seek input on proposed activities, it should allow for input from the community as to other needs that could be considered.

The public hearing notice must be published in a local newspaper at least five (5) days prior to the date of the hearing. Additionally, the jurisdiction should seek to notify the public with other means such as cable television, posted notices in public places, notices in other local publications, newsletters, government website, etc. The jurisdiction should encourage participation of potential or actual beneficiaries of a project and make accommodations for the disabled.

A copy of the meeting minutes and the hearing notice must be submitted with the application.

**3. Public Review of Application** – The public must have the opportunity to review and comment on a draft of the completed application before it is submitted to the State. In the public hearing notice, the applicant must provide the anticipated date the draft application(s) will be available for review as well as the location where it can be found. *Failure to advertise and provide the review and comment period will result in rejection of the application during threshold review.*

**4. Local Resolution** - The legislative body of the jurisdiction must pass a resolution authorizing submission of the application, the specific project(s) and the specific amount of funds being requested. The resolution must authorize the application in an amount equal to or greater than the amount requested in the application(s). The resolution must also acknowledge that the signatories understand that repayment of grant funds could be required if the application is funded and the project is not completed or does not meet a CDBG national objective.

If submitting more than one application, the resolution should identify the specific projects and the amount of each project. If the amount identified in a resolution is less than what is identified in the application, the CDBG staff will review the application to determine if it should be accepted, as only the amount authorized in the resolution can be considered. Applications with this issue will be reviewed on a case-by-case basis. Resolutions passed for previously submitted CDBG applications are not valid and will not be accepted.

A copy of the resolution must accompany the application or the application will not be reviewed.

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**5. Residential Anti-Displacement and Relocation Assistance Plan** – The State requires jurisdictions to adopt and maintain a written *Residential Anti-Displacement and Relocation Assistance Plan*. While a jurisdiction should make every effort to minimize the displacement of persons or businesses when using CDBG funds, this plan will describe what the jurisdiction will do in the event that it does occur.

Section 104(k) of the HCD Act of 1974, 42 U.S.C. § 5304(k), requires that reasonable relocation assistance be provided to persons displaced as a result of the use of CDBG assistance to acquire or substantially rehabilitate property. Section 104(d) of the HCD Act of 1974, as amended, 42 U.S.C. § 5304(d), requires one-for-one replacement of all low and moderate income dwelling units housing the same number of occupants as could have been housed in the units demolished or converted to another use as a result of CDBG assistance.

A jurisdiction's *Residential Anti-Displacement and Relocation Assistance Plan* is effective for a five year period. The plan must be current at the time of application. If it is not current or the applicant does not have one, the applicant must adopt and submit a new plan with their application. Please note that a specific plan will be required for approved grants with projects which will result in displacement.

**6. Submission By A County For Project in Municipality** - A county may submit applications on behalf of municipalities. In such instances, the municipality may not submit a separate application for the same project. The applicant assumes overall responsibility for ensuring that the entire project will be carried out in accordance with CDBG requirements. The applicant must enter into a legally binding cooperative agreement with the municipality.

**7. Program Income** - Any gross income that will be derived from the use of CDBG funds is Program Income. It is to be returned to the State unless the re-use of those funds is approved by the State. Applicants must submit a *Program Income Re-Use Plan* with their application requesting approval to retain funds at the local level for the same activities if they anticipate that their project will result in Program Income. Approved plans will be identified in the grant agreement for approved applications. A new *Program Income Re-Use Plan* must be submitted with each application. Jurisdictions wishing to retain income must be willing to pass a resolution to repay from general funds any costs that HUD or the State may disallow as a result of the retention and re-use of program income.

Program income must be re-used in a timely manner. If a jurisdiction has a balance of program income at the time of the application, the State may require that it be used as part of the application if it is determined that funds are not being used in a timely manner.

**8. Debarment** - The applicant is required to complete Debarment Checks on subrecipients or businesses prior to submission of an application. The completed forms do not need to be included with the application unless there is a problem.

**9. Audit** – Applicants who have never submitted an application to the CDBG Program must provide a copy of their most recent annual financial report/audit and a copy of their most recent single audit, if one was required, with their application. One copy of each is sufficient.

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**10. Mission and Bylaws** – Subrecipients included in an application must demonstrate that their organization primarily serves persons who are of low and moderate income and/or a specific population that is eligible for CDBG assistance. This should be clearly written in their mission statement and bylaws which should be submitted with the application.

**11. Policy for New Funds for Previously Assisted Projects** - Over the years, DHCD funding through the Division of Neighborhood Revitalization has assisted with the construction and renovation of many building projects throughout the state. We have always encouraged the use of high quality materials and workmanship. While not mandated, we expected buildings to be maintained to ensure longevity. To that end, as costs increase and funds are limited, we reserve the right to not provide additional funds from the CDBG Program or the State Revitalization Programs (Community Legacy or Strategic Demolition,) for previously assisted building projects.

To assist with our determination, applicants must provide answers to the following questions if the application includes construction or renovation to a building previously funded with the DHCD sources:

1. Which program provided previous funding? When? How much was the total award? What were specific uses?
2. Discuss maintenance efforts since building was constructed or renovated.
3. If you are asking to replace building equipment or utilities, what was the warranty on the original equipment? Discuss how it was maintained.
4. What alternatives were considered other than requested activities?
5. Is there debt on the building? If yes, what is the balance owed and the remaining term? Who is the lender?
6. Do you currently set aside funds for short-term and long-term maintenance needs?

In the event this request is funded, maintenance agreements would be required as well as the establishment of maintenance funding accounts.

This policy does not apply to the construction of additions or phases previously not funded.

**12. Clearinghouse Submission** - Applicants must comply with the Maryland Intergovernmental Review and Coordination Process (COMAR 14.24.04). Simultaneous with the submission of any application for CDBG funding, applicants must submit an electronic copy of a project profile to the Maryland State Clearinghouse. The profile must include a cover form; a summary briefly explaining the nature, purpose, scope and justification for the project; a map of the project location and geographic area to be served; a budget identifying all sources and uses of funds; and staffing for the project. Please note that the submission to the Clearinghouse must be submitted by the government applicant, not the subrecipient or business. Comments from this review will be forwarded to the CDBG program.

Information must be submitted to [mdp.clearinghouse@maryland.gov](mailto:mdp.clearinghouse@maryland.gov)

**13. DHCD/Neighborhood Revitalization Project Portal Submission** – Applications are **not** to be submitted via the DHCD Community Development and Services System (CDS) until notified otherwise.

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### FUNDING CATEGORIES, RATING AND AWARDS

DHCD reserves the right to award less than the requested amount. Funding recommendations and approvals may result in a decrease to the size, scope and/or costs of the project. A planning grant may be awarded in lieu of requested project funding where further study is deemed necessary.

In addition to the rating and evaluation criteria; CDBG staff, Rating Committees, the Assistant Secretary for Neighborhood Revitalization or the Secretary of DHCD may consider other factors in making funding determinations, including:

- The State's objectives and priorities;
- The availability of alternate or contributing funding sources for the total project or some of its components;
- A reasonable distribution of projects among eligible regions of the State;
- The ability to respond to a locality's special needs;
- The degree of community commitment for the project;
- The previous CDBG investment in a community;
- The ability of applicant, subrecipient or business to borrow funds;
- The commitment and/or input from other funders;
- The cost per person based on the total project cost;
- The amount of CDBG or other DHCD funds awarded for other phases of a multi-phase project; and
- The availability of other resources and/or services in a community.

The State does not provide final scores to applicants but will provide general comments as to strengths and weaknesses of their application.

### COMMUNITY DEVELOPMENT CATEGORY

Applications for community development projects are accepted annually on a competitive basis in the spring. The funding round is announced in advance of program opening, and applicants will have 77 days to prepare their applications after the application workshop is held. Any funds not awarded in the competition will be added to the Special Projects category.

#### Application Submission Information

One original and three copies of the application are to be mailed or delivered to: DHCD, 7800 Harkins Road, Lanham, MD 20706. Attention: CDBG Program.

Applications are evaluated in a three-step process: threshold review, project evaluation, and funding recommendations. At the completion of the threshold review, applicants will be notified by mail if their application(s) will be reviewed. Applications will be rejected if: 1) the application is not complete; 2) the public hearing process was not done correctly; 3) the draft of the application was not available for public review before submission; 4) the application is not received by the established due date; 5) the proposed

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project and/or activities do not meet the eligibility requirements; or 6) the applicant does not meet established performance thresholds.

### Performance Thresholds

There are performance thresholds related to previous CDBG grants that must be met by applicants. Applicants will be evaluated on their management of existing CDBG grants and must be in compliance with financial, reporting, monitoring, and performance requirements as established each year. *This does not apply to RHP awards.*

1. Financial – Expenditure of certain minimum percentages of previous grants must be met by 5:00 p.m. on Friday, June 6th. This will apply to all open regular CDBG grants. The required expenditure amount is based on the grant start date and shown below:

<b>Grant Agreement Start Date</b>	<b>Minimum % Required to be Expended</b>
Prior to June 30, 2023	100%
July 1, 2023 to December 31, 2023	75%
January 1, 2024 – June 30, 2024	50%
July 1, 2024 to December 31, 2024	15%*

2. Reporting – Applicants must be current with submission of any reports due to the program for existing grants.
3. Monitoring – Grantees that have grants with open monitoring issues will be reviewed on a case-by-case basis, taking into consideration the significance of the finding(s) or concern(s), the corrective action(s) taken by the grantee or subrecipient or business to resolve the issue(s), and the timeliness of the grantee in responding.
4. Performance – Grantees that have grants that have expended funds but have moved slowly or failed to perform in conformance with their project schedule will be required to submit additional information related to reasons for delays and poor performance as well as a new timeline. The State reserves the right to determine if the response is sufficient.

Additionally, grantees that have revolving loan funds (RLFs) and program income accounts that were capitalized with CDBG funds will be required to submit information regarding the current fund balance and the most recent activity. This applies to economic development RLFs as well as housing rehabilitation RLFs and program income accounts. Grantees may be required to submit additional information to explain large fund balances and lack of activity. In these instances, the State may take additional actions related to ensuring the grantee utilizes these funds.

***Waiver requests will only be considered for extenuating circumstances and application submission has been approved by CDBG Program.***

### Project Evaluation

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All applications that meet the threshold criteria will be rated and ranked competitively by a review committee composed of Maryland CDBG Program staff and other departmental staff with participation from other government agencies when appropriate. Applicants will be given an opportunity to respond to questions in a timely manner.

Rating is based on a 150-point scale. Point ranges have been established for each criterion to gauge the extent to which the applicant meets the criterion. The following factors will be considered in determining the points assigned. A copy of the rating form may be obtained from the CDBG program staff.

### **Public Purpose/Local Need (45 maximum points)**

*Severity of Need (30 maximum points).* Based on the information in the application, the degree of distress and examples provided will determine the number of points awarded. Distress factors considered include the quality and quantity of existing facilities, including the need for rehabilitation or replacement, condition description, age, adequacy or absence of facilities, services, housing etc. Up to twenty (20) points are awarded based on the documented need for new or additional services, new or improved facilities, new or improved infrastructure, or new or improved housing. Up to ten (10) points are awarded where existing physical health and safety conditions of buildings or infrastructure are documented. *Please note that documentation in support of the need is the key to receipt of points.*

*Community Support and Involvement (5 maximum points).* Points are awarded based on evidence and description of current community support and involvement in the project development and implementation. Letters of general support and participation may include local interest of neighborhood groups, local public or non-profit agencies and individuals that might directly benefit from the project. Applicants should describe the outreach conducted related to the public hearing and the efforts to obtain input from the public and those that might benefit directly from the project(s) included in the application.

*Consistency with Local Needs/Plans/Strategies (10 maximum points).* Points are awarded based on the degree to which the project is specifically identified and is consistent with a locally developed revitalization strategy, capital improvements plan or comprehensive plan (up to 5 points). Relevant sections must be provided with the applications. Up to five (5) points may be awarded for proposed projects and activities that re-use existing buildings and infrastructure.

### **Project Impact (25 maximum points)**

*Affordability (5 maximum points).* Points are awarded based on the description and information provided to demonstrate that the services, facilities and housing will be affordable to beneficiaries. *This is only applicable for projects that require payment from beneficiaries.*

*Impact on Need (10 maximum points).* Points are awarded based on the extent to which the project will address the needs and alleviate the existing problems described by the applicant. *If the above referenced score under Affordability is applied, then only 5 maximum points may be awarded.*

*Benefit to Low and Moderate Income (LMI) Households (15 maximum points).* Maximum points will be awarded to projects where there is a direct benefit to LMI households/persons. 5 points will be awarded

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to projects where there is an area wide benefit to LMI persons. No points will be given for slum/blight projects where there is no benefit to LMI persons, or where benefit cannot be determined. If there is more than one national objective, maximum points will be given for the activity that benefits more people.

### **Project Management (55 maximum points)**

*Readiness to Proceed (35 maximum points).* Points may be awarded for the extent to which the project is ready to proceed and the implementation schedule is reasonable. The assessment is based on the relative progress of elements such as site control/easements, architectural design or preliminary or final engineering, commitment of other project financing or the development of rehabilitation guidelines. If the applicant is not able to document that other funds are committed, they will not receive any points under this section because the project is not ready to proceed. This category considers the project as a whole but will consider factors such as phases as long as each phase is able to meet a national objective.

An applicant may receive thirty-five (35) points based on the following factors:

1. Construction Projects: Applicant has completed design and/or engineering, has completed acquisition or will complete if applicable within 90 days (does not include easement acquisition), can bid project within 90 days, and is able to start construction within 120 days.
2. Housing Rehabilitation Projects: Applicant has developed or updated all program materials, selected and completed work write-ups for 30% of properties to be rehabilitated, and can bid work in 60 days.
3. Services/Non-Construction Projects: Applicant can demonstrate that program and/or activities can be implemented within 30 days.

An applicant may receive twenty (20) points based on the following factors:

1. Construction Projects: Applicant has completed design and/or engineering, has completed acquisition or will complete if applicable within 120 days (does not include easement acquisition), can bid project within 120 days, and is able to start construction within 150 days.
2. Housing Rehabilitation Projects: Applicant has developed or updated all program materials, selected and completed work write-ups for 15% of properties to be rehabilitated, and can bid work in 90 days.
3. Services/Non-Construction Projects: Applicant can demonstrate that program and/or activities can be implemented within 60 days.

An applicant may receive ten (10) points based on the following factors:

1. Construction Projects: Applicant will complete design and/or engineering within 90 days of the award, will complete acquisition if applicable, within 120 days, and will bid project within 120 days.
2. Housing Rehabilitation Projects: Applicant has developed or updated all program materials, selected and completed work write-ups for 5% of properties to be rehabilitated, and can bid work in 120 days.

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3. Services/Non-Construction Projects: Applicant can demonstrate that program and/or activities can be implemented within 75 days.

No points are awarded if the project is not ready to proceed based on the above criteria or if other funds are not committed.

***As the application will be rated on the information found in the schedule identified in Part H of the application, the progress of funded grants will be assessed using this information as well. Failure to meet the schedule as presented will result in the loss of awarded grant funds. Exceptions to this policy will be considered on a case by case basis.***

*Accuracy of Costs (10 maximum points).* Maximum points may be awarded to projects which best document that project costs have been carefully estimated. Estimates should reflect the applicability and impact of Davis-Bacon wage rates, acquisition requirements, relocation or replacement housing requirements. Estimates should be current within six months. Preliminary professional studies, appraisals, tax assessments, wage rate determinations are some examples of acceptable documentation. No points will be awarded if documentation of costs is not submitted.

*Administrative Capacity (10 maximum points).* Points may be awarded for projects based on the past performance of the applicant or subrecipient with CDBG grants (5 points maximum). Reviewers will consider previous general grant management, financial management and compliance with meeting a national objective. The adequacy of staff to implement the proposed project based on information in Part G of the application will also be considered (5 points maximum).

### **Local Commitment and Leveraging (25 points maximum)**

*Local Commitment (10 maximum points).* The Department will consider the extent to which local funds will be contributed to the project. Maximum points (10) may be awarded to applicants whose local contribution exceeds 25% of the total project costs. Local contribution of 15%-24% of total project costs receives 8 points. Where there is some local contribution but less than 15% of the total project costs, 5 points are awarded. No points will be given where there is no local contribution. All funds must be documented.

Local funds include cash, debt service and any in-kind contributions which materially contribute to the project completion. In-kind contributions must be documented and may include the donation or long term lease of land or buildings, appropriation of local revenues, site improvements or installed infrastructure, deferral of real estate taxes, abatement or payment in lieu of taxes. The contribution may be provided by the local government or directly by subrecipient or business.

***Applications must include costs for the jurisdiction for the administration of the grant. Failure to identify costs in the application budget could result in the reduction of up to 5 points. Applicants can request project administration costs or provide it as leverage. Amounts should be reasonable based on the complexity of the specific project.***

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*Debt Service (5 points).* Applications will receive 5 points if the funding sources include loans (including federal and state loans) borrowed specifically for the project that have been secured by the local government, subrecipient or business. Applicants shall provide executed copies of loan documents as evidence. This does not apply to forgivable loans or those that are deferred for an extended period of time.

*Leveraging (10 maximum points).* The Department will consider the extent to which local and CDBG funds are used to leverage other public and private funds (non-local). Points will be awarded based on the documented commitment of funds specifically identified to supplement CDBG funds. Maximum points (10) will be awarded for projects where 50% or more of the project costs are from sources other than local or CDBG. If less than 50% of the project costs are from sources other than CDBG and the locality, five (5) points are awarded. The application will receive no points for leveraging if other funding sources are available but are not sought or approved. Leveraged funds include other public or private grant funds and individual or corporate donations.

*Bonus Points (15 maximum points)* – Applicants may receive up to 15 bonus points. This information can be found in more details in the Policies and Procedures Manual.

### **Funding Recommendations**

The highest rated applications are recommended for funding until the available funding for the round are exhausted or the next highest rated project requests more funds than are available and the project cannot be phased. In that case, the next highest scoring project may be funded. In case of a tie score, the application with the highest combined score on Public Purpose/Local Need and Project Management is funded first. The Maryland CDBG program has established a minimum point standard of 105 (70%). Applications that receive less than 70% of the total points are generally not recommended for funding. As noted at the beginning of this section, the State may consider other factors when making awards. In these cases, the other factors will be documented in the State's records.

The recommendations of the Rating Committee for both approval and rejection of applications are reviewed by the Assistant Secretary for Neighborhood Revitalization and presented to the Secretary of DHCD for final approval. Awards are expected to be announced within approximately 90 days of the application submission deadline.

### **SPECIAL PROJECTS CATEGORY**

Under the Special Projects Category, funds are set aside to fund special projects, planning activities and economic development projects. There are specific criteria and requirements required for each type of project. All applications will be considered on a "first-come, first-serve" basis once received and determined to be complete. Funds will not be "held" or "reserved" for applicants in the process of submitting an application or submitting materials to complete their application.

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Grantees that have revolving loan funds (RLFs) and program income accounts that were capitalized with CDBG funds will be required to submit information regarding the current fund balance and the most recent activity. This applies to economic development RLFs as well as housing rehabilitation RLFs and program income accounts. Grantees may be required to submit additional information to explain large program income balances and lack of activity. In these instances, the State may take additional actions related to ensuring the grantee utilizes these funds. (The RLF & PI Status Report is attached as Exhibit I).

Applicants for Special Projects funding are to submit one original and one copy are to be mailed to: DHCD, 7800 Harkins Road, Lanham, MD 20706. Attention: CDBG Program.

### **Special Projects**

Special Projects applications are those submitted after the annual competitive round has been completed. They are for projects that have become a high priority based on an opportunity or due to a critical or time sensitive need. Applicants must consult with CDBG Program staff and receive written approval to submit an application. Staff will consider whether the proposed project would meet a CDBG national objective, be eligible under the program, be able to be implemented in a timely manner, and if it meets one of the State's program objectives. Additionally, performance related to existing grants, if any, will be considered by staff in addition to CDBG eligibility requirements when making approvals. The maximum amount an applicant may seek is \$800,000.

A threshold review will be conducted to determine if the application is complete, the requested project will meet a CDBG national objective, and specific activities are eligible. Applications will be rated using the same rating factors used for the Community Development category. The minimum point standard of 105 points applies to Special Projects applications.

The State may also use funds from this category to fund requests for additional funding for existing grants for a variety of reasons. If the request is due to a shortfall for a previously funded project, additional funds will only be considered if there are extenuating circumstances surrounding the shortfall. If the amount needed is greater than \$75,000, grantees must apply for funding through the next Community Development application round unless it is determined that timing is critical. Grantees must provide a written explanation of the reasons for the shortfall, including:

1. the reasons for the request for additional funds;
2. verifiable documentation of a significant increase in beneficiaries;
3. proof that all alternate funding sources have been exhausted; and
4. documentation of any negative impact on the community if the project is not completed.

Within thirty days of the threshold review approval, a recommendation is made to the Assistant Secretary for Neighborhood Revitalization and to the Secretary of DHCD for final approval.

### **Planning**

Planning activities are eligible for CDBG funding. Applicants may seek up to \$50,000 for planning grants. A match is required but no more than 5% can be in-kind. Applicants must consult with CDBG Program

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staff and receive written approval to submit an application. Staff will consider whether the proposed project would meet a CDBG national objective, be eligible under the program, be able to be implemented in a timely manner, and if it meets one of the State's program objectives. Additionally, performance related to existing grants, if any, will be considered by staff in addition to CDBG eligibility requirements when making approvals.

A threshold review will be conducted to determine if the application is complete, the requested project will meet a CDBG national objective, and specific activities are eligible. Applications will be rated using the same rating factors used for the Community Development category. The minimum point standard of 105 points applies to Planning applications.

Planning activities are traditional planning activities such as comprehensive plans, community development plans, downtown studies, and capital improvements plans. Additional planning activities include feasibility studies, preliminary engineering, preliminary design, and building condition studies. Projects are qualified based on national objective eligibility.

Within thirty days of the threshold review approval, a recommendation is made to the Assistant Secretary for Neighborhood Revitalization and to the Secretary of DHCD for final approval.

### **Economic Development**

Funding may be used for a variety of economic development activities which support local economic development initiatives either by direct public improvements to facilitate new business and/or industry or through direct assistance to businesses. Applicants must consult with CDBG Program staff and receive written approval to submit an application. Staff will consider whether the proposed project would meet a CDBG national objective, be eligible under the program, be able to be implemented in a timely manner, and if it meets one of the State's program objectives. Additionally, performance related to existing grants, if any, will be considered by staff in addition to CDBG eligibility requirements when making approvals. The maximum amount an applicant may seek is \$800,000.

A threshold review will be conducted to determine if the application is complete, the requested project will meet a CDBG national objective, and specific activities are eligible. Applications will be reviewed and rated using factors described later in this section.

***Applications for speculative projects where no business(s) has committed in writing to participate with creation of jobs as required by the CDBG Program are not eligible for funding per State policy.***

The State will accept funding for the following economic development projects:

1. **Job Creation** – If the applicant is seeking funds to assist an identified business in a project that results in job creation, 51% of all jobs created must be taken by LMI persons. All jobs must be permanent, full-

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time jobs. The job counting begins once the grant activities are completed. Additionally, the State may impose a retention period for the jobs once created.

The business must provide a written commitment to meet the CDBG job creation standard of creating a specific number of jobs of which 51% or more of them will be taken by persons of low and moderate income. This must be provided with the application. Other application submission materials are described below and within the application document.

**2. Job Retention** - If the applicant is seeking funds to assist an identified business with job retention, there must be clear and objective evidence that permanent, full-time jobs will be lost without the CDBG assistance. Applications must include:

- evidence that the business has issued a notice to affected employees or made a public announcement to that effect; or
- analysis of relevant financial records which clearly and convincingly shows that the business is likely to have to cut back employment in the near future without the planned intervention.

The business must provide a written commitment to meet the CDBG job retention standard of retaining 51% or more of an agreed upon number of employees that are of low and moderate income at the time of the CDBG assistance. This must be provided with the application. Other application submission materials are described below and within the application document.

Applicants must provide the following information on the business to be assisted. If more than one, please provide information for each.

1. Name of Business
2. Ownership of Business
3. Business Management
4. Company History including start-up date, type of operation, progress and number of employees to date
5. Current Location(s)
6. Product Line or Service
7. Discuss their market area(s) including geography, major customers and other characteristics
8. Certificate of Good Standing from the State of Maryland if an existing business.

For projects which provide CDBG assistance as a financing measure to profit making businesses, discuss the need for financial assistance. Attach three years of historical financial statements and personal financial statement for principal owner(s) and a five year pro-forma. Explain the basis for requesting assistance (e.g., gap financing). Additional financial information may be requested.

1. Applications will be reviewed and considered based on the following:
2. Costs – All costs must be reasonable and necessary.
3. Leverage – All applications must include the leveraging of other funds. Those applications providing 50% or more of other funds will be provided maximum consideration. In-kind services

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cannot exceed 10% of the total budget.

4. Readiness to Proceed – Maximum consideration will be given to: 1) applications for construction activities which are able to be bid within 90 days and to start construction within 120 days; or 2) applications for acquisition of land or relevant equipment to be acquired within 120 days.
5. Administrative Capacity - The staffing plan must be sufficient to administer the grant activities.
6. Past Performance - The past performance of the applicant with CDBG grants will be considered with respect to general grant management, financial management and compliance with meeting a national objective.
7. Outcomes – Maximum consideration will be given to those projects that create or retain a high number of jobs.
8. Cost Per Job – The cost per job must not exceed \$20,000. Maximum consideration will be given to those applications where the cost per job does not exceed \$10,000.

Projects may be subject to Public Benefit Standards and Underwriting Guidelines. It depends on the structure of the application.

There is a prohibition on the use of CDBG funds for job-pirating activities. Specifically, funds cannot be used as an incentive for a business to relocate to another community.

The following types of businesses are not eligible for assistance with CDBG funds: adult bookstores, video shops or other adult entertainment facilities, check cashing facilities, gambling facilities, gun shops, liquor stores, massage parlors, medical marijuana production or distribution businesses, pawn shops, tanning salons, or tattoo parlors. Additionally, assistance to a professional sports team or a privately-owned recreational facility that serves a predominantly higher-income clientele where the recreation benefit to be derived by users or members clearly outweighs the employment of or other benefits to low and moderate income persons is also prohibited.

Within thirty days of the threshold review approval, a recommendation is made to the Assistant Secretary for Neighborhood Revitalization and to the Secretary of DHCD for final approval.

### ADDITIONAL PROGRAM POLICIES AND PROCEDURES

**1. Funds Transfer** - A review of the balance of available funds from the previous fiscal year will occur prior to the award of grants through the annual Community Development competitive round. Available funds will be used prior to the use of 2026 grant funds. Funds not used for the Community Development awards will be used as needed for the Special Projects category. Therefore, amounts funded in each category could exceed what is identified in the policy guide.

**2. Grant Periods** - Grants are awarded for a twenty-four (24) month period, except planning grants, which are expected to be completed in twelve (12) months. *The grant period is related to the expenditure of the grant funds only.* No formal amendment is required for the additional time necessary for a grantee to satisfy a national objective or to satisfy corrective actions related to monitoring findings or matters of concern. Time extensions are granted only where circumstances are beyond the grantee's control.

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**3. Grant Amendments** - Circumstances or conditions may develop during project implementation which could prompt the grantee to request, in writing, an amendment to the grant for reasons other than for additional funding (which is addressed under the Special Projects section of this manual). Accordingly, grantees must obtain approval for amendments in the following instances:

- if the addition of a new, or deletion of an existing activity or project is proposed;
- if activities in an area other than the approved target or project area are proposed;
- if the scope of the existing project or activities will change (i.e., number of beneficiaries);
- if a budget revision is proposed resulting in a transfer between approved budget line items in excess of ten percent of the grant award;
- in other instances where DHCD determines an amendment to be appropriate, such as where technical changes in legal or administrative terms occur.

The request for a grant amendment shall provide sufficient information to explain and justify the proposed changes. The CDBG Program may determine that an amendment to a grant agreement requires additional actions. The grantees will be notified in writing if they have to complete any of the following requirements:

- additional citizen participation efforts;
- additional review by the State Clearinghouse; or
- additional environmental review.

The request for a grant amendment will be reviewed on the basis of eligibility and the evaluation criteria applicable at the time of the amendment request.

A time extension may be granted, generally for one year, when it is determined by the program that the grantee will not expend grant funds by the completion date established in the grant agreement. The time extension is processed by the program and is not subject to the requirements of project amendments listed above. The program reserves the right to determine the length of time for the amendment.

Note that if an applicant is awarded funds through the Community Development category for another phase of a project which benefits the same beneficiaries as an open grant, that open grant will be amended to include the new award and for time.

**4. Financial Penalty - ERR** – The Environmental Review and Request for Release of Funds must be submitted for approval by DHCD within 75 days of the grant award date. Failure to do so will result in a 2% financial penalty of the grant award. The penalty will be assessed initially from administrative funds awarded. If no administrative funds were awarded, then project funds will be recaptured. The exception shall be for projects with issues identified through screening letters where the CDBG Environmental Officer has been notified in writing. Further delay in completing the Environmental Review and obtaining a Release of Funds could result in the termination of the grant.

**5. Financial Penalty – Minimum Expenditure** - For each grant, the grantee must request payment of a minimum of 5% of grant funds within 180 days of the grant award date. Failure to do so will result in a

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5% penalty of the grant award each month until funds are drawn. The penalty will be assessed initially from administrative funds awarded. If no administrative funds were awarded, then project funds will be recaptured. Exceptions to this policy will be considered on a case by case basis.

**6. Monitoring and Close Out of Grants** - Grants will be officially monitored by CDBG Program staff for compliance with federal and state regulations and requirements and to ensure that the national objective has been met. Some grant activities may be monitored by a specific compliance specialist or by their Project Manager at different stages of the implementation of the grant. All projects are considered “open” until they have been fully monitored and all issues are resolved. The State will issue a Close Out letter to the grantee when it has been formally closed. Grant files and records must be retained by the grantee for a five (5) year period after close out of the State’s grant by HUD.

**7. Recapture and Repayment of Funds** - Any funds recaptured through grant termination, repayment due to monitoring findings, or completion of an activity at a cost savings will be available for redistribution to eligible projects. DHCD may retain eligible amounts of repaid or recaptured funds for State administrative and technical assistance costs.

**8. Suspension of Method of Distribution for Presidential Disaster Declarations** - In the event of a Major Disaster Declaration by the President of the United States for a city, town, or county located in the State of Maryland, the Secretary of DHCD shall have the authority to waive the Method of Distribution or any other State policies for the CDBG program to address emergency needs of impacted communities. This will be done in consultation with HUD and the program will operate within the parameter of the law or laws addressing the CDBG program.

### CDBG INCOME DETERMINATION AND QUALIFICATION

The CDBG regulations require that the majority of program funds are expended on projects that benefit LMI persons. This benefit can be direct or indirect depending on the type of project. A person or family is considered to be LMI if their total family income is 80% or less than the area median income for the county in which they reside. The exception to this is projects for housing activities which require that the total income of all residents of a household is 80% or less than the area median income. HUD has provided the State with data to be used to determine the LMI information for towns and cities. HUD annually provides income limits to the State for each county which must be used to determine if beneficiaries are LMI. (Income limits provided as Exhibit A)

Grantees are to use the Part 5 method of income calculation for qualifying households for housing rehabilitation, downpayment and/or closing cost assistance, and housing purchase or leasing.

The following provides information on income determination and qualification for CDBG funded projects:

**1. Benefit to LMI Persons Thru Area Benefit Activities** - For projects that benefit an entire town or city, 51% or more of the total population must be LMI. Municipal applicants are to use April 1, 2019 data

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provided by the State which identifies which towns and cities have populations where at least 51% of the population is LMI.

For projects that benefit a specific service area (ie. a street, neighborhood or a specific block), 51% or more of the population of that service area must be LMI. To determine this information, applicants must conduct an income survey of the residents of the service area using the Maryland CDBG Low and Moderate Income Survey Guide. This process requires households to provide information on the number of persons in their household and the total household income through a self-certification process. Prior to implementation of a survey, applicants must discuss the survey process with CDBG staff. The survey results must be submitted to the CDBG Program for approval prior to submission of an application.

The State has population and LMI information for Census Designated Places in counties. County applicants would have to document that the proposed activities are within the boundaries of the Census Designated Place.

**2. Benefit to LMI Persons Thru Limited Clientele Activities** - The majority of projects that are funded under this national objective are for persons that are “presumed” by HUD to be LMI. This includes: abused children, elderly persons, battered spouses, homeless persons, illiterate adults, persons with AIDS, migrant farmer workers, and disabled adults. For other limited clientele activities, information on family size and income is needed to demonstrate that at least 51% of the beneficiaries are persons whose family income does not exceed 80% of the area median income.

Disabled adults are those that meet the U.S. Census definition of severely disabled. This definition classifies adult persons if they (a) use a wheel-chair or had used another special aid for six months or longer; (b) are unable to perform one of more functional activities (seeing, hearing, having one’s speech understood, lifting and carrying, walking up a flight of stairs, and walking) or need assistance with an activity of daily living (which includes getting around inside the home, getting in or out of a chair or a bed, bathing, dressing, eating and toileting) or an instrumental activity of daily living (which includes going outside the home, keeping track of money, preparing meals, doing light housework and using the telephone); (c) are prevented from working at a job or doing housework; or (d) have a selected condition including autism, cerebral palsy, Alzheimer’s disease, dementia, or mental retardation. Also persons who are under 65 years of age and who are covered by Medicare or who receive SSI are considered to have a severe disability.

**3. Benefit to LMI Persons Thru Housing Activities** - Under this national objective, beneficiaries are persons whose household income does not exceed 80% of the area median income. As it is a direct benefit, the household income must be verified to document that the household qualifies for assistance or participation. Housing rehabilitation or homeownership programs must be targeted specifically to LMI persons. Multi-family housing construction or renovation projects must ensure that at least 51% of the total number of units will be available for LMI persons.

**4. Benefit to LMI Persons Thru Job Creation Activities** - For projects that result in job creation, 51% of all jobs created are to be taken by LMI persons. Each person hired for a job must provide information on the number of persons in their family and the total family income through a self-certification process.

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**5. Benefit to LMI Persons Thru Job Retention Activities** - For projects that result in job retention, 51% of all jobs retained are to be held by LMI persons. Existing employees must provide information on the number of persons in their family and the total family income through a self-certification process.

## Appendix C: AP-30 Methods of Distribution (HOME)

The Maryland HOME Investment Partnerships Program (HOME) can be used for a variety of housing activities, according to local housing needs. Eligible uses of funds include tenant-based rental assistance; housing rehabilitation; assistance to homebuyers; and new construction of housing. HOME funding may also be used for site acquisition, site improvements, demolition, relocation, and other necessary and reasonable activities related to the development of non-luxury housing.

Funds may not be used for public housing development, public housing operating costs, or for Section 8 tenant-based assistance, nor may they be used to provide non-federal matching contributions for other federal programs, for operating subsidies for rental housing, or for activities under the Low-Income Housing Preservation Act.

All housing developed with HOME funds must serve low- to very low-income families. For rental housing, at least 90 percent of the families benefited must have incomes at or below 60 percent of the area median income; the remaining 10 percent of the families benefited must have incomes at or below 80 percent of area median income. Homeownership assistance must be to families with incomes at or below 80 percent of the area median income. Each year, HUD publishes the applicable HOME income limits by area, adjusted for family size.

HOME-assisted rental units must have rents that do not exceed the applicable HOME rent limits. Each year, HUD publishes the applicable HOME rent limits by area, adjusted for bedroom size. For projects with five or more HOME-assisted rental units, 20 percent of the units must be rented to very low-income families.

HOME-assisted homebuyer and rental housing must remain affordable for a long-term affordability period, determined by the amount of per-unit HOME assistance or the nature of the activity. HOME-assisted homebuyer housing is also subject to resale or recapture requirements.

The State of Maryland must provide a 25 percent match of their HOME funds. In addition to this we also set aside at least 15 percent of our allocations for housing to be owned, developed, or sponsored by community housing development organizations (CHDO).

The State of Maryland HOME funds will be used to increase the number of housing units for very low-income individuals and households. HOME funds will be targeted for the lowest income households as follows:

For rental housing projects, HOME funds will be targeted to serve households at or below 80 percent of the area median household income, adjusted for household size, and determined annually by HUD.

Single Family rehabilitation/reconstruction loans, acquisition/rehab/resale loans and loans for Homeownership assistance will be targeted to households at or below 80 percent of the area median household income, adjusted for household size and determined annually by HUD.

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For homeownership projects, HOME funds will be targeted to serve households at or below 80 percent of the area median household income, adjusted for household size, and determined annually by HUD.

DHCD will use the HOME affordable homeownership sales price limits provided annually by HUD when determining the maximum mortgage/loan amount for projects.

Maryland HOME funds will generally be used for projects in conjunction with the existing housing programs of DHCD as well as for projects without other State financing. Through the HOME Special Reserve Fund, HOME funds will be used to fill a need not met by existing housing programs. HOME funds can also be used when an existing CDA program has encumbered most of all available funding.

### FEDERAL FISCAL YEAR 2024 / STATE FISCAL YEAR 2025 ALLOCATION

The State anticipates receiving \$6,083,880.39 for FFY 2025 (SFY 2026) in grant allocations as well as receiving approximately \$1,500,000.00 in program income. The award and program income will be divided into the following categories:

State of Maryland HOME Allocation (FFY 2025/SFY 2026)	
Administrative Allowance	\$608,388.00
CHDO Operating Assistance	\$0.00
CHDO Reserve Projects	\$962,562.00
Multi-Family Projects	\$5,421,319.39
Single Family Projects	\$1,200,000.00
<b>Total</b>	<b>\$7,583,880.39</b>

### Use of HOME Funds

HOME funds will be used for projects in conjunction with the existing housing programs of DHCD as well as for projects without other State financing. Through the HOME Special Reserve Fund, HOME funds will be used to fill a need not met by existing housing programs. HOME funds will also be used when an existing CDA program has encumbered much of all available funding

#### 1. HOME Special Reserve Fund

The HOME Special Reserve Fund has replaced the HOME Initiative Program which was terminated in 2013. The Special Reserve Fund will be used for special projects or programs that further the mission of DHCD. DHCD will announce the availability of these funds and the funds will be allocated on a first-come, first-serve basis with priority given to Community Housing Development Organizations (CHDOs) that produce CHDO reserve eligible projects.

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The HOME Special Reserve Fund will be used to finance programs, projects and activities that fill a need not met by other DHCD housing programs or for any other existing CDA program which has fully encumbered the majority or all of the available funds for that particular activity, but which promotes the development of affordable, safe and sustainable housing for homeowners, renters, and special populations.

Local governments, non-profit sponsors and developers may propose projects or programs for the use of these funds or DHCD may have projects and program concepts it may wish to test.

Special Reserve Fund applications will be reviewed, and funds will be allocated on a first- come, first- serve basis, with awards recommended to the Director of the Community Development Administration and HFRC for approval (if the applications are part of a competitive round). Applications from Community Housing Development Organizations (CHDOs) and non-profit organizations as well as local governments applying in conjunction with non-profits will be given priority. Other rating criteria will be readiness to proceed, demonstrated ability, matching contributions, geographic distribution and performance and disbursements on prior HOME awards. DHCD may fund up to 5% of the award to be used for administrative cost.

### 2. Other DHCD Programs

FFY 2025 HOME funds in the amount of \$6,083,880.39 will be used in conjunction with on-going DHCD housing programs to fill gaps in funding, make projects feasible and increase the number of low-income persons able to be served in State-funded projects.

- HOME funds will be disbursed among DHCD program areas listed below:
- Multifamily Housing Programs
- Single Family Programs

The HOME funds will be allocated to these uses for up to eight months. After that time, unencumbered funds may be moved to any other HOME uses to meet additional demand for funds or for special projects.

#### A. Multifamily Housing Programs

Rental housing projects will use HOME funds in conjunction with the Rental Housing Fund. HOME funds will be used in projects utilizing any combination of State funds, bond funds, or low-income tax credits administered by DHCD or may be used with no other State funds. HOME funds may be requested by sponsors and/or local governments as part of the project application or DHCD staff may, in consultation with sponsors and local governments, propose the use of HOME funds during project evaluation. HOME and any other DHCD funds will be awarded to projects at the time of reservation of Rental Housing Funds.

HOME funds may be used as broadly and flexibly as is permitted by federal regulations to address the unique underwriting needs of each project and the number of very low-income tenants to be served. The ratio of HOME units to total units will generally be proportional to the ratio of HOME funds used in a project to total costs.

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Multifamily Rental Housing Projects are solicited through an annual round of funding. When projects have met the requirements of the round HOME funds are requested to fill any funding gap.

### B. Single Family Programs

HOME funds will be used in conjunction with DHCD's forward reservation programs for home ownership projects as well as for home ownership projects such as the Maryland Mortgage Program (MMP). HOME funds may be used for "soft seconds" to reduce the cost of the home to the borrower, for land or for other development costs, and for construction financing. Just as with rental housing projects, project applications may include requests for HOME funds or DHCD staff may propose the use of HOME funds during underwriting.

HOME funds may also be used for the development of group home projects that assist income-eligible persons with special housing needs. The HOME funds may be used in conjunction with State funds, or bond-funded group homes made under the Special Housing Opportunity Program (SHOP). HOME funds will help ensure that group home projects, with their limited repayment ability, are made feasible.

In addition, HOME funds will be used in conjunction with the Single-Family Programs' rehabilitation and special purpose programs. Although these programs; Maryland Housing Rehabilitation Program (MHRP), Indoor Plumbing Program (IPP). Accessible Home for Seniors Programs (AHSP) and Lead Paint Programs (LHRGLP) have flexible loan terms, there are still applicants who cannot be served due to underwriting requirements associated with those programs. In some cases, combining HOME with these programs could make assistance possible by providing more favorable financing terms than permitted by State-funded programs. HOME funds may be used for replacement house projects in cases where rehabilitation is not possible or cost effective. HOME may also be used as stand-alone funding when other sources are not available.

Community Housing Development Organizations (CHDO) may also use HOME funds for acquisition of a property for resale or rental in conjunction with these Special Programs i.e. HOME funds for acquisition and Special Program funding for rehabilitation.

The State of Maryland may use HOME funds for tenant based rental assistance on a limited basis, including using HOME funds for security deposit assistance and to help victims of disaster.

### 3. DHCD Administrative Fees and CHDO Operating Assistance

The balance of the HOME funds - \$ 608,388 will be allocated as follows:

- \$ 608,388 will be used by DHCD for administrative expenses associated with administering the HOME program. The amount set-aside for administrative expenses includes 10% of the regular HOME allocation and the option to use 10% of any program income received for administrative expenses.

No funds will be set-aside for CHDO operating assistance during this fiscal year. Guidelines for awarding HOME operating assistance to certified CHDOs conducting business in communities designated as HOME non-Participating Jurisdictions (non-PJs) are outlined in Attachment I. Under federal law, a CHDO may not

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receive HOME support that provides more than 50% of its operating budget in any fiscal year, or \$50,000, whichever is greater. Under DHCD policy, operating assistance funds available to CHDOs in any fiscal year will be capped at \$50,000\*. This amount does not include funds for operating expenses and pass-through funds provided through intermediary organizations exclusive of the State of Maryland selected by HUD.

All current State certified CHDO's will require re-certification prior to any operating assistance being awarded.

### Eligible Activities

- Housing Rehabilitation
- Homebuyer Assistance
- New Construction
- Acquisition/Rehab Resale
- Acquisition/Rehab/Rental
- Reconstruction
- Demolition
- Relocation
- Tenant-based rental assistance

### Eligibility Requirements

- Homeowners and tenants must meet the area median household income limits published annually by HUD. All household income will be considered for eligibility purposes.
- Homeownership Sales Value Limits may not exceed the values for the area as published annually by HUD.
- Rents for HOME units must adhere to the Fair Market Rents published by HUD annually.
- Rental projects must meet the subsidy limits published by HUD
- All projects must meet the occupancy requirements during the affordability period

### Application Process

- Single Family homeowner projects are submitted to the State directly or through one of our participating local agencies. These applications are reviewed on a first come first serve basis and must meet the eligibility requirements.
- Multifamily applications are submitted through an annual round of funding announced by our department. Application will be reviewed to ensure compliance with the threshold requirements.

## PROGRAM REGULATIONS, REQUIREMENTS AND POLICIES

### Submission of Application

1. Acquisition - Uniform Relocation Act – Grantees must comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (49 CFR Part 24) when acquiring property and permanent easements that are required for a project, or when residents or

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businesses are displaced as a result of a project. Additional regulations regarding relocation of displaced persons or businesses are found in 24 CFR Part 42 and Section 104(d) of the HCD Act.

2. Environmental Review – Grantees must comply with the National Environmental Policy Act of 1969 and other federal laws which are specified in 24 CFR Part 58. This review must be completed prior to the initiation of project activities regardless of the funding source. Where required no activities are to begin until a Release of Funds has been issued by HUD.
3. Fair Housing and Equal Opportunity – All agencies must comply with numerous federal laws, regulations, and Executive Orders. The most relevant regulations are related to non-discrimination when using HUD funding programs; non-discrimination and equal opportunity in housing; non-discrimination on the basis of race, color, religion, sex, national origin, handicap or familial status in programs and activities receiving or benefiting from federal assistance; and employment and contracting opportunities for lower income persons or minority businesses.
4. Fair Housing and Equal Opportunity – Disadvantaged Businesses – When procuring construction or services, grantees are to take affirmative steps to solicit bids from minority owned businesses (MBE) and women owned businesses (WBE).
5. Fair Housing and Equal Opportunity – Section 3 – When procuring construction or services when it is anticipated that the contracts will exceed \$200,000, grantees must comply with Section 3 of the HCD Act of 1968 which requires that employment and other economic opportunities be made available to Low-to-Very Low-income persons. Note that this regulation will soon undergo major revisions.
6. Housing - Broadband – Per revisions to 24 CFR Part 570.482, the use of HUD funding for the construction or substantial rehabilitation of a building with more than 4 rental housing units requires the installation of broadband infrastructure to provide access to internet connections in individual housing units. It must meet the definition of “advanced telecommunications capability” determined by the Federal Communications Commission under Section 706 of the Telecommunications Act of 1996.

Substantial rehabilitation is defined as: 1) complete replacement of the electrical system or other work for which the pre-construction cost estimate is equal to or greater than 75% of the cost of replacing the entire system in the building undergoing rehabilitation; or 2) rehabilitation of the building undergoing rehabilitation where the pre-construction estimated cost of the rehabilitation is equal to or greater than 75% of the total estimated cost of replacing the housing after the rehabilitation has occurred. The replacement cost is for the building undergoing rehabilitation only.

Exceptions may be granted by the State if it is determined: 1) the location of the new construction or substantial rehabilitation makes installation of broadband infrastructure infeasible; 2) the cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or is an undue financial burden; or 3) the structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible.

7. Housing – Homeownership Financial Assistance - If HOME funds are used to provide financial assistance (i.e. down payment and/or closing costs) to homebuyers a lien will be placed on each

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property which receives assistance as follows. The length of the affordability periods are as follows:

- a. Assistance up to \$15,000 five (5) years;
  - b. Assistance \$ 15,000- \$ 40,000 ten (10) years.
  - c. More than \$ 40,000 fifteen (15) years
8. Housing – Housing Rehabilitation Program Policy –for single family, owner occupied housing rehabilitation all housing must be improved and meet local livability code requirements or housing quality standards upon completion of improvements
9. Housing - Rental Housing Affordability Periods:
- a. Assistance up to \$15,000 - five (5) years;
  - b. Assistance \$ 15,000- \$ 40,000 - ten (10) years.
  - c. More than \$ 40,000 - fifteen (15) years
  - d. New Construction of rental housing - twenty (20) years
  - e. Refinancing of rental housing - fifteen (15) years

The State may institute stricter affordability periods.

10. Insurance - Flood – Flood insurance is required for all buildings (including housing) acquired, rehabilitated or renovated that are in the floodplain. Insurance is to be maintained for the term of use, lien period, or loan term.
11. Insurance – Homeowner or Building – Homeowner or building insurance is required for all buildings acquired, constructed or renovated with HOME funds. The grantee is required to ensure that sub recipients, businesses and homeowners maintain enough replacement insurance. Files must contain appropriate documentation. Insurance is to be maintained for the term of use, lien period, or loan term.
12. Labor - Davis Bacon and Related Acts – Funded HOME projects Federal (Davis-Bacon) wage requirements are made applicable to the HOME program by Section 286 of the NAHA which provides, in part, as follows:

"Any contract for the construction of affordable housing with 12 or more units assisted with funds made available under this subtitle shall contain a provision requiring that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a-276a-5), shall be paid to all laborers and mechanics employed in the development of affordable housing involved,...."

HUD regulations (24 CFR 92.354) paraphrase the statutory provision and clarify that the contract for construction must contain these wage provisions if HOME funds are used for any project costs, including construction or no construction costs, for housing with 12 or more HOME-assisted units. The regulations further explain that a construction contract that includes a total of 12 or more HOME-assisted units is covered by Davis-Bacon requirements even if the contract covers more than one HOME "project" and prohibits arranging multiple construction contracts within a single

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- project for the purpose of avoiding Davis-Bacon coverage. Once triggered, the wage provisions apply to the construction of the entire project - HOME-assisted and non-assisted portions, alike.
13. Lead Paint – Grantees must comply with 24 CFR Part 35 and 40 CFR Part 745 when undertaking renovation, repair or painting activities that disturb painted surfaces in houses, buildings converted into housing, homeless shelters, and several other types of projects in buildings that were built before 1978. As of April 22, 2010, work performed as identified in the regulations must be completed by certified firms using certified renovators and workers trained in lead-safe work practices established by the Environmental Protection Agency.
  14. New Construction – Prohibition New construction sites must not be in an area of minority concentration and must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.
  15. Program Income - The State may receive program income from time to time as a result of the prepayment of loans or from debt service payments. Any program income received will be used in accordance with the requirements of 24 CFR Part 92.

Resale/Recapture pursuant to Section 24 CFR 92.254(a)(5)(ii) of the regulations, the State has selected the option to recapture the full HOME Investment from the net proceeds of the sale of a house, which was purchased with the assistance of HOME funds.

Compliance during the affordability period is achieved through monitoring of all borrowers to confirm the property is still their primary residence.

Should a homeowner want to refinance their first mortgage during the term of the HOME loan, the request will be reviewed to ensure that it meets the requirements of Subordination Policies.

The Department shall determine whether the loan of HOME funds has been forgiven because the homeowner has owned and occupied the house for a required minimum period of 5, 10, or 15 years in accordance with the terms of the loan.

If the homeowners have not owned and occupied the property during the minimum affordability period, payment will be required as discussed further under “Guidelines” below.

### **Guideline - Recapture of HOME Funds:**

HOME loan funds are used for direct subsidy to assist homebuyers with down payment and closing costs, as well as mortgage write-down assistance, to enable them to purchase a home. Each homebuyer assisted with HOME funds is required to sign a written agreement detailing the terms and conditions of their HOME loan, prior to receiving the loan. A deed of trust is recorded against the purchased property securing the HOME funds. This lien is non-interest-bearing loan. The loans contain an affordability period of 5, 10 and 15 years. The Loan shall be forgiven if the Borrower owns and occupies the Property during the affordability period. Repayment of the loan is required if the property is no longer the borrower's primary residence. In the event of sale or transfer of

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all or any portion of the Property by the Borrower or a holder of a senior lien through a foreclosure the entire amount borrowed will be due. However, the repayment may be limited to net proceeds if the amount of the net proceeds is lesser than the original amount borrowed. The term "net proceeds" means the proceeds from the sale of the Property less the unpaid principal balance of any superior and subordinate non-governmental or private loans to the Loan.

Recapture may only be made if there are enough net proceeds. The net proceeds from the sale of a house will be distributed as follows:

- 1.)
  - a.) To pay the balance due on any superior loan and to pay any required closing costs;
  - b.) To pay the HOME funds, subject to (2) below;
  - c.) To pay the balance due on any subordinate loan;
  - d.) To repay the homeowner for any homeowner payments; and
  - e.) To pay the remaining balance to the homeowner.
- 2.) If there are insufficient proceeds from the sale of the house to repay the amount of HOME funds and to pay the homeowner for the amount of any homeowner payments, the State may forgive a portion of the loan made with HOME funds, calculated by multiplying the amount of the HOME loan by the fraction equal to the number of years the homeowner owned and occupied the house times the affordability period, where HOME funds per unit equal:
  - a.) Under \$15,000, 1/5 per year
  - b.) \$15,000 - \$40,000, 1/10 per year; and
  - c.) Over \$40,000, 1/15 per year
- 3.) With respect to loans made with HOME funds to assist homebuyers, "Homeowner Payments" means the following:
  - a.) The amount of the down payment made by the homeowner of the house;
  - b.) The amount of any principal payments or prepayments on any loan on the property; and
  - c.) The cost of all capital improvements to the house made by the homeowner

Additionally, the State will consider more restrictive terms for recapture and forgiveness provided it determines such action is necessary through established underwriting criteria.

HOME funds used to assist homebuyers that are recaptured according to these guidelines will be used to carry out other HOME eligible activities.

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Covenants describing the recapture restrictions will be included in the recorded loan documents to ensure that the HOME funds will be recaptured at the time of transfer or refinance of the HOME-assisted unit.

### **Tenant-Based Rental Assistance**

The State of Maryland may use HOME funds for tenant-based rental assistance on a limited basis, including using HOME funds for security deposit assistance and to help victims of a disaster. Rental assistance programs will select households to receive assistance in accordance with written tenant selection policies and criteria. In addition, if families selected are currently residing in units that are designated for rehabilitation or acquisition under the HOME program, they will not be required to meet the written tenant selection policies and criteria. Families so selected may use the tenant-based assistance in the rehabilitated or acquired unit or in other qualified housing.

### **TYPES OF INVESTMENT BY THE STATE OF MARYLAND IN THE HOME PROGRAM**

Maryland expects primarily to invest funds in projects through interest-bearing and non-interest-bearing loans, and possibly grants when needed. Depending on the circumstances of each project, the State may use other forms of subsidies, including investments, interest subsidies consistent with the purposes of this program, and deferred payment loans with or without interest.

### **HOME Matching Fund Requirements**

The State will provide HOME match through DHCD's Rental Allowance Program.

### **Suspension or Method of Distribution for Presidential Disaster Declarations**

In the event of a Major Disaster Declaration by the President of the United States for a city, town, or unit of local government located in the State of Maryland, the Secretary of DHCD shall have the authority to waive the Method of Distribution or any other State regulations for the HOME program to address emergency needs of impacted communities. This will be done in consultation with HUD, and the program will operate within the parameter of the law or laws addressing the HOME program.

### **HOME Performance Measures**

As part of its desire to implement performance measures, HUD asks grantees to assign measures to activities they expect to undertake.

## Appendix D: Executive Order Assurances

1. The State of Maryland Department of Housing and Community Development (“DHCD”) shall administer its grant in accordance with all applicable immigration restrictions and requirements, including the eligibility and certification requirement that apply under Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, as amended (8 U.S.C. 1601-1646) (PRWORA) and any applicable requirements that HUD, the Attorney General, or the U.S. Citizenship and Immigration Services may establish from time to time to comply with PRWORA, Executive Order 14218 or other Executive Orders or immigration laws. DHCD will not use funding under this grant in a manner that by design or effect facilitates the subsidization or promotion of illegal immigration or abets policies that seek to shield illegal aliens from deportation. Unless excepted by PRWORA, DHCD must use SAVE, or an equivalent verification system approved by the Federal government, to prevent any Federal public benefit from being provided to an ineligible alien who entered the United States illegally or is otherwise unlawfully present in the United States.
2. DHCD agrees that its compliance in all respects with all applicable Federal anti-discrimination laws is material to the U.S. Government’s payment decisions for purposes of section 3729(b)(4) of Title 31, United States Code.
3. DHCD will not operate any programs that violate any applicable Federal anti-discrimination laws, including Title VI of the Civil Rights Act of 1964.