ANNUAL ACTION PLAN
Federal Fiscal Year 2026/State Fiscal Year 2027

(Amended November 2026)

State of Maryland
Department of Housing and Community Development

Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

In accordance with the regulations found at 24 CFR Part 91, the State of Maryland has prepared this Annual Action Plan to detail the agency's intentions with the federal formula grant funding awarded by the U.S. Department of Housing and Urban Development ("HUD") during the upcoming program year. The Annual Action Plan specifically covers funding under the following formula grant programs:

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

Each of these formula grant programs are designed to address various housing, community development, homeless, and economic needs across the nation, especially for low-income residents and communities. This Annual Action Plan will specifically detail how each funding source will be utilized to address Maryland's areas of need through targeted priorities, goals, and strategies aimed at improving outcomes for the state's residents.

This version of the Annual Action Plan covers the period of July 1, 2026, to June 30, 2027 (State Fiscal Year 2027 and Federal Fiscal/Program Year 2026). The State of Maryland's Department of Housing and Community Development ("DHCD") acts as the primary administrator and compliance manager for first four formula grant programs listed above while The State of Maryland's Department of Health ("MDH") administers the HOPWA grant program. DHCD prepares and submits all federally mandated reports to HUD in compliance with various regulations found at 24 CFR Part 91.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

In the Program Years 2025-2029 Consolidated Plan, DHCD identified seven goals and three overarching priorities for projects funded using the previously discussed federal formula grant programs. These goals and priorities 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.

This Annual Action Plan covers the second year of the Consolidated Plan period. DHCD will report progress on these goals 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 subsequent sections of this report.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

In general, DHCD was successful in achieving program outcomes that address housing, community development, homelessness, and economic development. Program outcomes are reported in the State's annual CAPER submission and the most recent CAPER (submitted in September 2025) reported outcomes associated with the final year of the Program Years 2019-2024 Consolidated Plan.

The four goals identified in the Program Years 2019-2024 Consolidated Plan included:

- **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);
- **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).

During Program Year 2024, DHCD was able to achieve the following programmatic outcomes:

- 2,952 individuals received street outreach services, overnight emergency shelter, or rapid re-housing.
- 20 municipalities and counties awarded CDBG grant funds for place-based and infrastructure projects.
- 7 HTF funded multi-family housing construction or rehabilitation projects were completed which created 188 total units including 64 HTF designated units for extremely low-income households.
- 102 low income and extremely low-income households received housing services through CDBG, HOME, and HTF funds.
- 164 persons with HIV/AIDS received tenant based rental assistance and other case management services.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

In preparation of the FFY 2026 Annual Action Plan, DHCD complied with all citizen participation requirements as outlined at 24 CFR 91.115 and DHCD's current Citizen Participation Plan.

Citizens and other members of the community were provided with several participation opportunities including three public hearings 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 Annual Action Plan. These stakeholders included public housing authorities, non-profit organizations, public service providers, local governments, regional Continuums of Care, and other departments within the State of Maryland.

A more detailed description of the entire citizen participation process and consultation process has been provided in the AP-10 and AP-12 sections of this report.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

Any comments received by the Department of Housing and Community Development have been included as an attachment to this report with the other referenced 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 Action Plan process.

PR-05 Lead & Responsible Agencies - 91.300(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

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	Department of Housing and Community Development
HOPWA Administrator	MARYLAND	Department of Health
HOME Administrator	MARYLAND	Department of Housing and Community Development
ESG Administrator	MARYLAND	Department of Housing and Community Development
HTF Administrator	MARYLAND	Department of Housing and Community Development

Table 1 – Responsible Agencies

Narrative

The Maryland Department of Housing and Community Development serves as the lead agency responsible for the preparation of the Annual Action Plan and the administration of the following formula grant programs: CDBG, ESG, HOME, and HTF. The Maryland Department of Health oversees and administers the HOPWA formula grant program.

Consolidated Plan Public Contact Information

Any questions or comments about the Annual Action Plan or the information contained in the report should be directed to Lauren Metz, Senior Analyst, Federal & Strategic Programs. 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, or by phone at 443-386-7723.

AP-10 Consultation - 91.110, 91.300(b); 91.315(l)

1. Introduction

The Annual Action Plan process requires that all grantees undertake a detailed consultation strategy to engage with public and private organizations in its jurisdiction. The goal of this consultation is to gather information on the needs of various groups throughout the state and subsequently use feedback to develop responsive goals and priorities for the upcoming program year.

Each of the following sections will provide additional details on the various organizations that were engaged as a part of the consultation process. DHCD actively sought meaningful consultation with each of the required agency types detailed in 24 CFR 91.110 and each agency type was contacted as a part of the Annual Action Plan development process.

Information on how the State engaged with residents/citizens can be found in the AP-15 section of this report.

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

The State of Maryland prioritizes the coordination of programs between its various agencies and other external community partners. DHCD, 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 partnership encompasses programs like 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 groups 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.

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 work closely with subgrantees to assess the needs of homeless households, solicit local input into statewide strategies, and provide training or technical assistance. DHCD staff coordinate monthly peer sharing calls between CoC and Local Homeless Coalition (LHC) leaders to discuss a variety of topics including state updates on funding, local homeless system needs, gaps in resources of funding, the intersection of public and behavioral health support, and support strategies.

DHCD Program Managers also meet with individual CoC and LHC lead agencies regularly to facilitate tailored conversations around specific local needs and ensure consistent practices throughout the entire state.

All feedback from these conversations were taken into account when developing this Annual Action Plan.

Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and 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 seldom, 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 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.

DHCD is currently finalizing the development of the Maryland State Data Warehouse (MSDWH) which will collect data from every CoC's Homeless Management Information System (HMIS) on a quarterly basis. The data will be 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 then 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 Annual Action 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.

2. Agencies, groups, organizations and others who participated in the process and consultations

Agency/Group/Organization	Organization Type	What section of the Plan was addressed by the consultation?	Brief description of the consultation and anticipated outcomes
Maryland Balance of State Continuum of Care	Services – Housing, Services – Persons with Disabilities, Services, Victims of Domestic Violence, Services – Homeless, Services – Fair Housing, Regional Organization	Homeless Needs, Homelessness Strategy, HOPWA Strategy, Anti-Poverty Strategy	The Maryland Balance of State serves as the region's collaborative Continuum of Care and it is comprised of homelessness organizations in 9 counties. The group provided feedback on various funding needs, resource gaps, and other policy areas in relation to homelessness, poverty, and the ESG program.
Carroll County Government	Housing, Services – Housing, Services – Children, Services – Elderly Persons, Services – Persons with Disabilities, Services – Homeless, Services – Fair Housing, Other Government - County	Public Housing Needs, Homelessness Strategy, Non-Homeless Special Needs, Anti-Poverty Strategy	The organization was consulted as a part of the regional needs assessment process.
Charles County Department of Community Services	Housing, PHA, Services – Housing, Services – Children, Services – Elderly Persons, Services – Persons with Disabilities, Child Welfare Agency, Other Government - County	Housing Needs Assessment, Public Housing Needs, Homelessness Strategy, Non-Homeless Special Needs, Anti-Poverty Strategy	The organization was consulted as a part of the regional needs assessment process.

Agency/Group/Organization	Organization Type	What section of the Plan was addressed by the consultation?	Brief description of the consultation and anticipated outcomes
City of Hagerstown	Housing, Other Government – Local	Non-Homeless Special Needs	The organization provided feedback during a public hearing for the Annual Action Plan.
Somerset County Health Department	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	Housing Needs Assessment, Non-Homeless Special Needs, HOPWA Strategy	The organization was consulted as a part of the regional needs assessment process.
Dominion Community Development Corporation	Housing, Services – Housing, Services – Fair Housing,	Housing Needs Assessment, Non-Homeless Special Needs	The organization provided feedback during a public hearing for the Annual Action Plan.

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 Annual Action Plan.

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 uses the Continuum of Care model to make homelessness rare, brief, and non-recurring in the state of Maryland. This includes (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.
State Housing Needs Assessment	State of Maryland Department of Housing and Community Development	The State Housing Needs Assessment provided complementary data and analysis which informed the goals and priorities of the Annual Action Plan.
Maryland Homeless Services Framework	Maryland Interagency Council on Homelessness	The Maryland Homeless Services Framework establishes seven goals to address homelessness in Maryland and improve existing service systems. These goals are directly correlated to the utilization of ESG funds by DHCD as well as other homeless programs at the agency.

Table 3 - Other local / regional / federal planning efforts

AP-12 Participation - 91.115, 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 2026 (SFY 2027) Annual Action Plan. Citizens were provided with several opportunities to interact with the Annual Action Plan process including public hearings and a public comment period.

A pre-draft public hearing was held virtually on January 30, 2026 to gather citizen feedback on housing and community development needs across the state. Public notices announcing this public hearing were published fourteen days prior to the hearing in The Howard County Times, The Star Democrat, and the Southern Maryland News. Eleven individuals attended the virtual public hearing and a copy of comments/feedback from the hearing has been included as an attachment to this report. No public comments were not accepted from the hearing.

DHCD held a thirty-day public comment period on the draft Annual Action Plan and draft HTF Allocation Plan from Monday, March 30, 2026 to Friday, May, 1, 2026. A notice of the draft Annual Action Plan was published on Friday, March 20, 2026 in three regional newspapers including The Howard County Times, The Star Democrat, and the Southern Maryland News. 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, draft Annual Action Plan, and draft HTF Allocation Plan were made available on DHCD's website for the public to review. Comments and/or complaints were accepted by mail, email, or phone during this thirty-day period. No public comments were received.

Two additional public hearings were held on the draft Annual Action Plan in April 2026. Public notice of these hearings was included in the notice announcing the comment period previously referenced. An in-person hearing was held on Wednesday, April 15, 2026 at the East Columbia branch of the Howard County Public Library. A virtual public hearing was held on Friday, April 17, 2026. No public comments were received at either public hearing.

Copies of all publications, affidavits, public notices, and minutes from each public hearing have been included as an attachment to the Annual Action Plan.

DHCD also consulted with various organizations as a part of the Annual Action Plan process. This included local Continuums of Care that are eligible to receive ESG funding and units of local government which are eligible for CDBG and HOME funds.

In November 2026, DHCD proposed a substantial amendment to the previously approved Annual Action Plan. This substantial amendment reflected the award of HTF funding and a change in the methods of distribution reflecting the new “Rural Infrastructure Planning Program”. A public notice was announcing this substantial amendment and the associated thirty day public comment period was published on Friday, November 6, 2026 in the Star Democrat and the Southern Maryland News. A copy of the public notice and updated Annual Action Plan were made available on DHCD’s website for public review. Comments and/or complaints were accepted by mail, email, or phone during this thirty day period. The thirty day public comment period was held from Friday, November 6, 2026 to Tuesday, December 8, 2026.

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 16, 2026. This notice informed citizens of the upcoming public hearing and provided information on the feedback process for DHCD.	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 a pre-draft public hearing virtually on January 30, 2026, to assess housing and community needs across the state. 11 individuals attended the hearing.	11 citizens attended the virtual public hearing and 7 questions/comments were received. Each question or comment has been included in the hearing notes included in the Citizen Participation Packet attached to this report.	No comments were not accepted from the public hearing.

Sort Order	Mode of Outreach	Target of Outreach	Summary of Response/Attendance	Summary of Comments Received	Summary of Comments Not Accepted and Reasons
3	Newspaper Ad	Non-Targeted / Broad Community	A public notice was placed in three regional newspapers on March 20, 2026. This notice informed citizens of the thirty-day comment period and two upcoming public hearings. Citizens were also provided with contact information for any feedback on the draft Annual Action Plan.	No comments were received during the public comment period.	No comments were not accepted from the public comment period.
4	Public Hearing	Non-Targeted / Broad Community	DHCD will hold two public hearings on April 15 and April 17, 2026, to present the draft Annual Action Plan. This section will be updated after the public hearings with information on attendance and any comments received.	No comments were received during the public hearing.	No comments were not accepted from the public hearing.
5	Newspaper Ad	Non-Targeted / Broad Community	A public notice was placed in two regional newspapers on November 6, 2026. This notice informed citizens of a substantial amendment to the Annual Action Plan and a thirty day comment period. Citizens were also provided with contact information for any feedback on the draft Annual Action Plan.		

Table 4 – Citizen Participation Outreach

A summary of comments received from the above methods of participation have been included as an attachment to this report. No comments were not accepted from interested parties.

Expected Resources

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

Introduction

The State of Maryland will receive $20,469,957.50 in Program Year 2026 for the CDBG, ESG, HOME, HOPWA, and HTF formula grant programs.

The distribution of this funding between each program is detailed in the following table.

Anticipated Resources:

Program	Source of Funds	Use of Funds	Annual Allocation (Current Program Year)	Program Income (Current Program Year)	Prior Year Resources	Total	Expected Amount Available for Remainder of Con Plan	Narrative Description
CDBG	Public - Federal	Acquisition, Admin and Planning, Economic Development, Housing, Public Improvements, Public Services	$7,367,342.00	$150,000.00	$3,475,251.00	$10,992,593.00	$23,448,898.00	

Program	Source of Funds	Use of Funds	Annual Allocation (Current Program Year)	Program Income (Current Program Year)	Prior Year Resources	Total	Expected Amount Available for Remainder of Con Plan	Narrative Description
ESG	Public – Federal	Conversion and Rehab for Transitional Housing, Financial Assistance, Overnight Shelter, Rapid Re-Housing (Rental Assistance), Rental Assistance Services, Transitional Housing	$1,224,778.00	$0.00	$1,263,682.43	$2,488,460.43	$3,747,810.00	

Program	Source of Funds	Use of Funds	Annual Allocation (Current Program Year)	Program Income (Current Program Year)	Prior Year Resources	Total	Expected Amount Available for Remainder of Con Plan	Narrative Description
HOME	Public – Federal	Acquisition, Homebuyer Assistance, Homeowner Rehab, Multifamily Rental New Construction, Multifamily Rental Rehab, New Construction for Ownership, TBRA	$5,990,130.95	$1,500,000.00	$19,920,872.07	$27,411,003.02	$22,845,390.61	

Program	Source of Funds	Use of Funds	Annual Allocation (Current Program Year)	Program Income (Current Program Year)	Prior Year Resources	Total	Expected Amount Available for Remainder of Con Plan	Narrative Description
HOPWA	Public – Federal	Permanent Housing in Facilities, Permanent Housing Placement, Short-Term or Transitional Housing, STRMU, Supportive Services, TBRA	$1,973,317.00	$0.00	$2,490,010.00	$4,463,327.00	$7,470,030.00	

Program	Source of Funds	Use of Funds	Annual Allocation (Current Program Year)	Program Income (Current Program Year)	Prior Year Resources	Total	Expected Amount Available for Remainder of Con Plan	Narrative Description
HTF	Public – Federal	Acquisition, Admin and Planning, Homebuyer Assistance, Multifamily Rental New Construction, Multifamily Rental Rehab, New Construction for Ownership	$3,914,389.55	$0.00	$3,173,375.00	$7,087,764.55	$9,757,933.45	
Continuum of Care	Public – Federal	Overnight Shelter, Rapid Re-Housing (Rental Assistance), Supportive Services, TBRA	$8,663,478.00	$0.00	-	$8,663,4478.00	$25,990,434.00	The annual allocation is estimated based on level funding from Program Year 2025.

Program	Source of Funds	Use of Funds	Annual Allocation (Current Program Year)	Program Income (Current Program Year)	Prior Year Resources	Total	Expected Amount Available for Remainder of Con Plan	Narrative Description
LIHTC	Public – Federal	Acquisition, Housing, Multifamily Rental New Construction, Multifamily Rental Rehab	$18,540,759.00	$0.00	-	$18,540,759.00	$51,000,000.00	The annual allocation amount is estimated based on level funding from Program Year 2025.
Recovery Housing Program	Public – Federal	Acquisition, Housing, Short-Term or Transitional Housing Facilities, Transitional Housing	$1,182,080.00	$0.00	$1,517,210.00	$2,499,974.00	$2,900,000.00	

Table 5 - Expected Resources – Priority Table

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 for the CDBG, HOME, and ESG programs 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 HOPWA funds.

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 this plan.

Annual Goals and Objectives

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 6 below do not include the prior year resources reported in AP-15 as those funds were previously designated for prior Annual Action Plan goals. The funding allocations are also inclusive of any administrative funding allowed under federal regulations.)

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	HOME: $5,471,808.70 HTF: $3,914,389.55	Rental Units Constructed: 63 Household Housing Units Rental Units Rehabilitated: 59 Household Housing Units Other: 30 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: $1,119,802.61	Homeowner Housing Rehabilitated: 45 Household Housing Units
3	**Homelessness Prevention**	2025	2029	Homeless	Statewide	Homelessness Prevention	CDBG: $825,000.00 ESG: $852,200.00 HOPWA: $53,000.00	Tenant-Based Rental Assistance / Rapid Rehousing: 1,201 Households Assisted Homeless Person Overnight Shelter: 85 Persons Assisted Homelessness Prevention: 1,738 Persons Assisted Other (Outreach): 1,300 Persons Assisted
4	**Supportive Housing Assistance for At-Risk Citizens**	2025	2029	Homeless Non-Homeless Special Needs Non-Housing Community Development	Statewide	Homelessness Prevention	HOPWA: $1,920,317.00 ESG: $372,578.00	Homeless Person Overnight Shelter: 1,632 Persons Assisted Tenant-Based Rental Assistance / Rapid Rehousing: 98 Households Assisted

5	**Viable Infrastructure and Public Facilities**	2025	2029	Non-Housing Community Development	Statewide	Infrastructure and Public Facilities Improvements	CDBG: $5,567,342.00	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 12,000 Persons Assisted
6	**Accessible Public Services**	2025	2029	Non-Housing Community Development	Statewide	Public Service Needs	CDBG: $225,000.00	Public Service Activities other than Low/Moderate Income Housing Benefit: 20 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: $898,519.64	Other: 4 Other (3 jurisdictions assisted and 1 CHDO assisted)

Table 6 – Goals Summary

Goal Descriptions

Goal	Goal Name	Goal Description
1	Attainable and Accessible Rental Housing	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. During this Annual Action Plan period it is estimated the HOME and HTF programs will provide the following outcomes: • HOME Program Year 2026 Goal: Approximately 52 multi-family rental units constructed and 45 multi-family rental units rehabilitated for a total of 97 rental housing units. • HTF Program Year 2026 Goal: Approximately 11 rental units constructed and 14 rental units rehabilitated for a total of 25 rental housing units. An additional 30 rental units will be funded during this period, however, these units will not be constructed during this Annual Action Plan period.

Goal	Goal Name	Goal Description
2	Sustainable and Quality Housing for Homeowners	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). During this Annual Action Plan period it is estimated the CDBG and HOME programs will provide the following outcomes: • CDBG Program Year 2026 Goal: Rehabilitation of 40 single family homeowner properties. • HOME Program Year 2026 Goal: Rehabilitation of 5 single family homeowner properties.

Goal	Goal Name	Goal Description
3	Homeless Prevention	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. During this Annual Action Plan period it is estimated the CDBG, ESG, and HOPWA programs will provide the following outcomes: • CDBG Program Year 2026 Goal: Approximately 85 persons assisted through overnight shelters. • ESG Program Year 2026 Goal: Approximately 1,185 households assisted through rapid re-housing, 1,738 households assisted through homelessness prevention activities, and 1,300 persons assisted through various outreach services. • HOPWA Program Year 2026 Goal: Approximately 16 persons with HIV/AIDS assisted through short-term rent, mortgage, and utility assistance payments to prevent homelessness.

Goal	Goal Name	Goal Description
4	Supportive Housing Assistance for At-Risk Citizens	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. During this Annual Action Plan period it is estimated the ESG and HOPWA programs will provide the following outcomes: • ESG Program Year 2026 Goal: Approximately 1,632 homeless persons assisted through overnight shelter activities. • HOPWA Program Year 2026 Goal: Approximately 98 persons with HIV/AIDs assisted through Tenant-Based Rental Assistance.

Goal	Goal Name	Goal Description
5	Viable Infrastructure and Public Facilities	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. During this Annual Action Plan period it is estimated the CDBG program will provide the following outcomes: • CDBG Program Year 2026 Goal: Approximately 12,000 persons assisted through various public infrastructure or public facilities improvements.
6	Accessible Public Services	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. During this Annual Action Plan period it is estimated the CDBG program will provide the following outcomes: • CDBG Program Year 2026 Goal: Approximately 20 persons assisted through various public service activities.

Goal	Goal Name	Goal Description
7	Increased Local Planning and Capacity Building	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. During this Annual Action Plan period it is estimated the CDBG and HOME programs will provide the following outcomes: • CDBG Program Year 2026 Goal: Approximately 3 jurisdictions will be assisted through various planning and capacity building activities. • HOME Program Year 2026 Goal: Approximately 1 CHDO will be assisted through various planning and capacity building activities.

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 91.215(b).

The HOME program will provide affordable housing to approximately 97 units of rental housing and 5 units of single family homeowner properties in Program Year 2026.

HOME funds are available for affordable housing projects which benefit households earning up to 80% of the Area Median Income. An exact estimate of families/households that will be provided with affordable housing is not available for the upcoming program year as DHCD does not utilize set-asides for specific income categories and funding is provided on a case-by-case basis through a rolling application process. During the most recently completed program year, HOME funds were awarded to 11 extremely low income households and 4 low income households. DHCD would estimate a similar allocation of funding between the income categories for the upcoming program year.

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 amount it will fund for the below goals before specific projects are identified and, as a result, actual allocation distributions may deviate from the figures provided.

Funding Allocation Priorities

Program	Attainable and Accessible Rental Housing (%)	Sustainable and Quality Housing for Homeowners (%)	Homelessness Prevention (%)	Supportive Housing Assistance for At-Risk Citizens (%)	Viable Infrastructure and Public Facilities (%)	Accessible Public Services (%)	Increased Local Planning and Capacity Building (%)	Total (%)
CDBG		10	11	0	74	3	2	**100**
HOME	73	15	0	0	0	0	12	**100**
HOPWA	0	0	3	97	0	0	0	**100**
ESG	0	0	70	30	0	0	0	**100**
HTF	100	0	0	0	0	0	0	**100**
Continuum of Care	0	0	100	0	0	0	0	**100**
LIHTC	100	0	0	0	0	0	0	**100**
RHP	0	0	0	100	0	0	0	**100**

Table 7 – 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 detailed were established in accordance with each program's specific statutory purpose or to further HUD's priority needs of decent housing, suitable living, and economic opportunity.

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 specifically targets the priority needs and objectives as outlined in the State's Program Years 2025-2029 Consolidated Plan. These priority needs and objectives were developed following various stakeholder and citizen consultations as well as an analysis of information in the Needs Assessment and Market Analysis sections of the Consolidated Plan.

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. A full breakdown of these methods of distribution has been included as an appendix to this report.

AP-35 Projects – (Optional)

Introduction:

Project-level detail is not required for a state's Annual Action Plan submission to HUD. After DHCD has allocated funding through the methods described in section AP-30, this 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 of Maryland's Sustainable Communities policies and criteria to approve local governments' 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 local government's application for funding under the Sustainable Communities program 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 micro-enterprises;
- 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.

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 utilizes several different geographic allocations in respect to each of its five federal formula 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 and maps of each HUD entitlement jurisdiction by grant program are included as an attachment to this report. These jurisdictions are unable to receive additional federal funding in the same grant programs from DHCD (e.g., Baltimore County is a direct CDBG entitlement jurisdiction as recognized by HUD and, as a result, cannot receive additional 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 above restrictions, federal funding for CDBG, ESG, HOME, and HTF can be utilized in any community in Maryland if the proposed project benefits eligible program beneficiaries (such as low-income households, persons experiencing homelessness, etc.). Projects that are located in other DHCD designated communities (e.g., Just Communities) may receive additional preference in funding, particularly for the utilization of HOME or HTF funds.

Maryland Department of Health's HOPWA funding is limited to one specific Eligible Metropolitan Statistical Area (EMSA) which covers Frederick County and Montgomery County. Other Maryland counties (including Anne Arundel, Baltimore, Calvert, Carroll, Charles, Harford, Howard, Prince Georges, and Queen Anne's) and Baltimore City are also located in HUD designated EMSAs, however, these EMSAs are not administered by the State of Maryland or its agencies.

Geographic Distribution

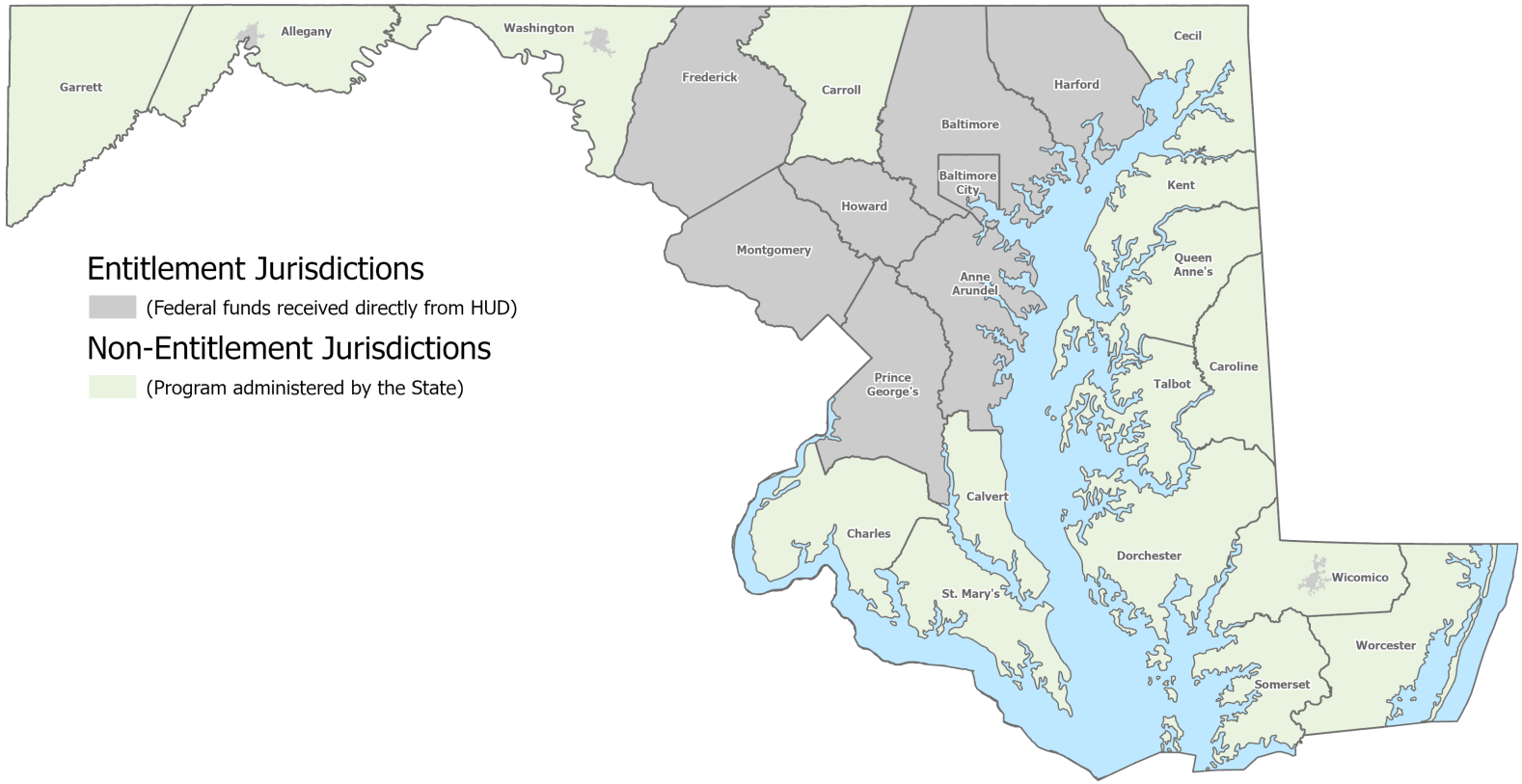
Target Area	Percentage of Funds
Statewide	100%

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

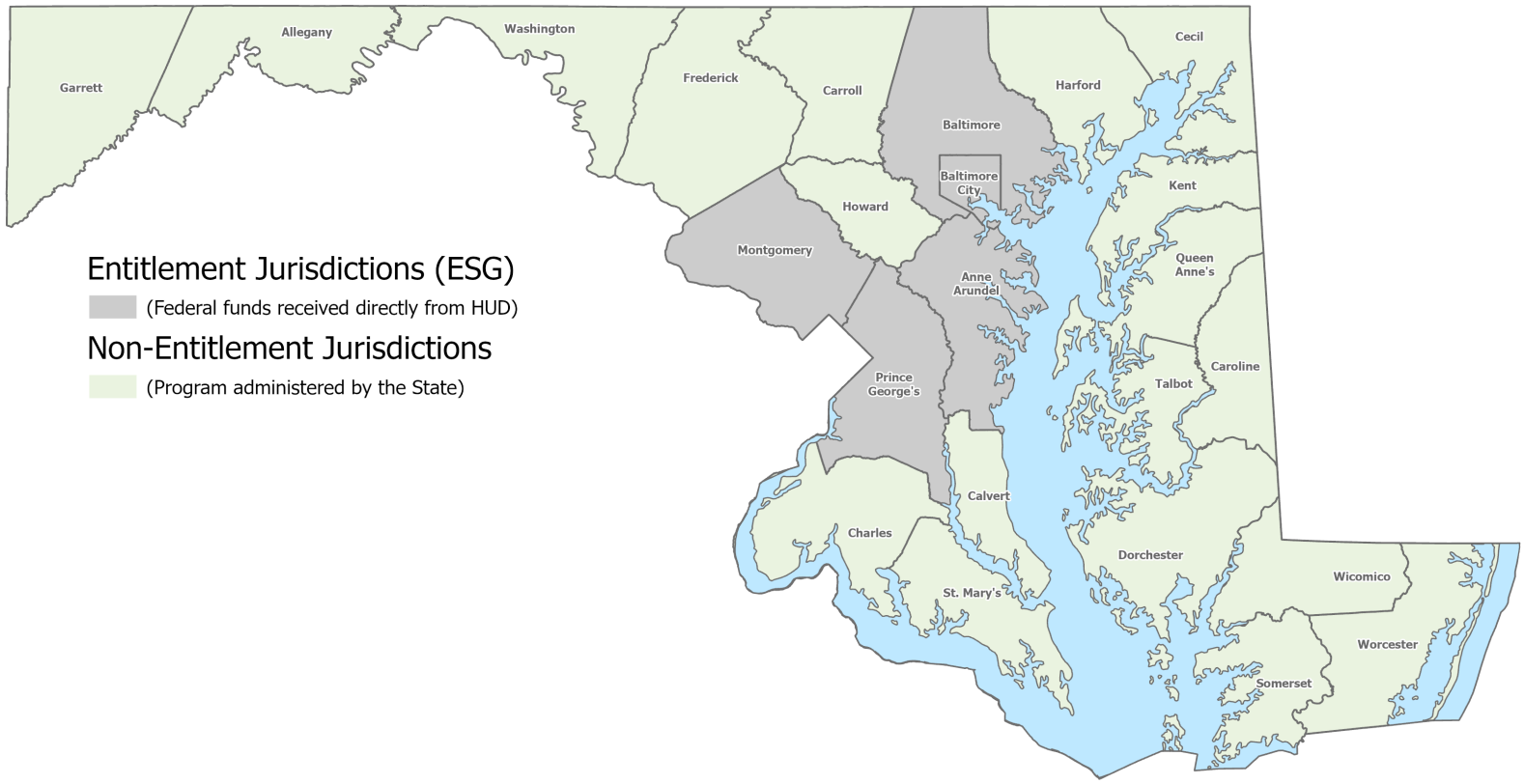
As noted above, DHCD's allocation of federal resources are geographically limited by the boundaries of other formula grant entitlement communities in the state. All non-entitlement communities can apply for federal resources.

Community Development Block Grants (CDBG)
Entitlement Jurisdictions



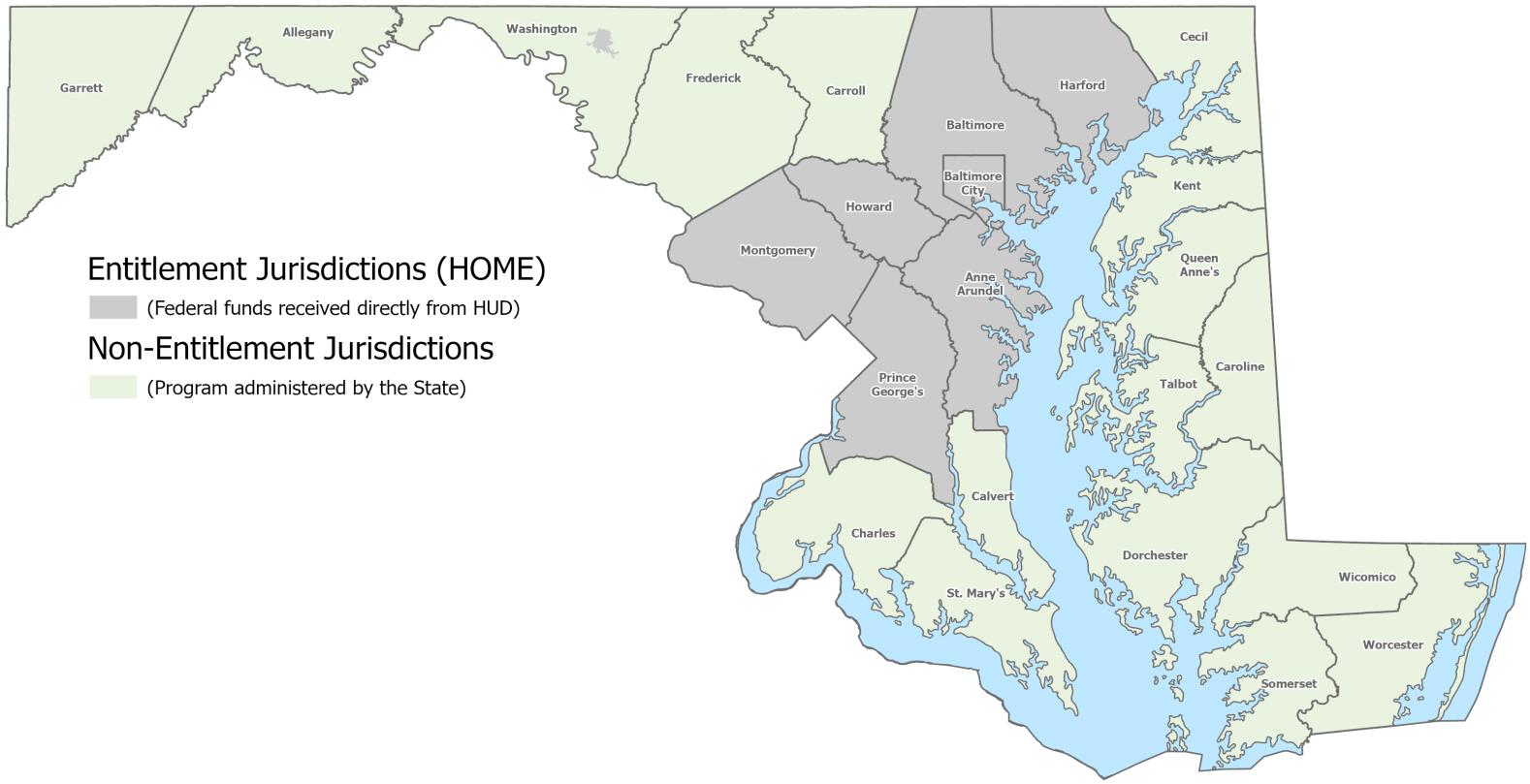
Published Data: 02/19/2026

Emergency Solutions Grant (ESG)
Entitlement Jurisdictions



Published Data: 09/30/2024

The HOME Investment Partnerships Program (HOME)
Entitlement Jurisdictions



Published Data: 02/19/2026

Affordable Housing

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 2026 (State Fiscal Year 2027). This information details both the populations targeted through the department's various housing projects as well as the specific type of activity that will be carried out.

Type of Population	Number of Households
Homeless	0
Non-Homeless	167
Special Needs	0
Total	**167**

Table 9 - One Year Goals for Affordable Housing by Support Requirement

Type of Support	Number of Households
Rental Assistance	0
The Production of New Units	63
Rehab of Existing Units	104
Acquisition of Existing Units	0
Total	**167**

Table 10 - One Year Goals for Affordable Housing by Support Type

Discussion:

The estimated numbers reported in Tables 9 and 10 reflect the following projected activities by each grant program:

- CDBG: 40 Non-Homeless Households (40 housing units to be rehabilitated)
- HOME: 102 Non-Homeless Households (52 housing units to be constructed and 50 housing units to be rehabilitated)
- HTF: 25 Non-Homeless Households (11 housing units to be constructed and 14 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 that are not located in entitlement communities are also required to certify annually that its individual agency plan is consistent with the goals detailed in the State's current Consolidated Plan.

Actions planned during the next year to address the needs to public housing.

DHCD does not have any active plans to address the needs of public housing in the upcoming program year. However, public housing authorities are eligible to apply for a variety of funding administered by DHCD which includes Low Income Housing Tax Credits (LIHTC), HOME and/or HTF 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.

DHCD 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 PHA is designated as 'troubled', DHCD will work with HUD to identify the appropriate level of assistance (financial or technical) to correct the PHA's status. The exact nature of assistance will be determined based on the exact findings that resulted in the designation.

DHCD is prepared to provide a variety of technical assistance to a PHA including asset management, property management, and operational improvements. All PHAs (regardless of their designation) are also eligible for DHCD's property rehabilitation programs.

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

Introduction

The State of Maryland takes a multifaceted approach to addressing homelessness in the state with both the ESG and HOPWA programs. The priority for both 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 council serves the following functions:

- Provides a single statewide homelessness planning and policy development resource for Maryland
- Oversees and implements the Maryland Homeless Services Framework
- Acts 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:

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 identify their housing and service needs and address housing barriers. This funding also supports assessments for Coordinated Entry which allows persons experiencing homelessness to gain both 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 the following outreach efforts:

- Regional Point-in-Time Counts and Homeless Resource Days;
- Expanding geographic coverage for services;
- Recruitment of outreach staff and volunteers; and,
- Development 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 also regularly educated about HOPWA program benefits.

State Fiscal Year 2027 (Federal Fiscal Year 2026) Goals:

- Provide ongoing 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.

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 37% of ESG funds and 31% of State funded homeless funds to operating and service costs for emergency shelter. The continued support for emergency crisis beds is a key component to ensuring that unsheltered homelessness is reduced throughout the region. DHCD also requires all shelters to be low barrier, Housing-First oriented, and accessible to households of all types and family compositions (such as unaccompanied youth, veterans, domestic violence survivors, and people who identify as LGBTQ+).

Local emergency shelter inventories are assessed on an annual basis and this information is shared with DHCD during the annual funding application process.

State Fiscal Year 2027 (Federal Fiscal Year 2026) Goals:

- Provide technical assistance to shelter providers to implement low-barrier housing first practices to address temporary shelter needs.
- Support CoCs and LHCs in conducting annual needs assessments to identify gaps in emergency and transitional housing, and prioritize culturally competent shelter expansion for vulnerable subpopulations.
- Facilitate TA and training for CoC and LHC providers to support shelter and transitional housing participants with accessing human service benefits and entitlements.

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 re-housing, 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 re-housing.
- 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 re-housing assistance.

The State of Maryland has 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.

State Fiscal Year 2027 (Federal Fiscal Year 2026) 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.
- Evaluate local rapid re-housing models to ensure meaningful outcomes.

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 assist 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 re-entry 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 2027 (Federal Fiscal Year 2026) Goals:

- Support CoCs with developing discharge coordination protocols with local healthcare facilities, mental health institutions, correctional programs, and foster care systems to prevent exists 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.
- Leverage eviction data to support more targeted homeless prevention efforts.

AP-70 HOPWA Goals – 91.320(k)(4)

One year goals for the number of households to be provided housing through the use of HOPWA for:

Type of Activity	Number
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	19
Tenant-based rental assistance	98
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
Total	117

Table 11 – HOWPA Goals

AP-75 Barriers to affordable housing – 91.320(i)

Introduction

This section of the Annual Action Plan discusses specific actions that the State of Maryland anticipates pursuing in the next program year 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

DHCD is committed to removing or ameliorating barriers towards affordable housing. The department partnered with the Maryland Department of Planning to identify opportunities to update zoning or other land use policies at the local level that may discourage the construction of higher density units or smaller sized properties. 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 preceding sections of this Annual Action Plan demonstrated the range of needs for community development, supportive services, and housing in Maryland. The following sections will describe more specific actions that DHCD plans to undertake to address these concerns in the upcoming program year.

Actions planned to address obstacles to meeting underserved needs

DHCD considers "obstacles to meeting underserved needs" to be any issue that prevents a jurisdiction from realizing a goal that may directly or indirectly benefit residents with housing or other community development needs. In order to overcome these obstacles, DHCD has identified the following opportunities and actions:

- 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 affordable rental housing.

Actions planned to reduce lead-based paint hazards

DHCD has taken a proactive approach in addressing lead-based paint hazards in Maryland's existing housing stock. All DHCD programs require that a property demonstrate a lack of lead-based paint or lead paint abatement before funding is allocated. DHCD offers two lead hazard reduction grant and loan programs to specifically assist homeowners and landlords lessen the risk of lead poisoning statewide.

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 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 its Five Year Consolidated Plan. 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 Annual Action Plan.

Actions planned to enhance coordination between public and private housing and social service agencies

Over the next program year, 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.

Program Specific Requirements

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 block 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.

Sources of Funding	Number
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
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
The amount of surplus funds from urban renewal settlements	0
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
The amount of income from float-funded activities	0
Total Program Income	**0**

Other CDBG Requirements

Other Requirements	Number
The amount of urgent need activities	0
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%

HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.320(k)(2)

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.

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. Specific guidance for each applicable written agreement is detailed in Section 92.504. A deed of trust is recorded against the purchased property securing the HOME funds. This lien is a non-interest bearing loan and it contains an affordability period of five, ten, or 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 any or all portions 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.

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 whatever portion of HOME assistance is available from net proceeds. During the affordability period compliance is achieved through regular monitoring to confirm the property is still a borrower’s primary residence.

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.

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.

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.

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)

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 subrecipient monitoring visits. 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, as well as align with the requirements of 2 CFR 200. Continuums of Care agencies are expected to make written standards available for DHCD review upon request.

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 operate 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.

Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

Eligible grantees for ESG funds are Continuums of Care and Local Homeless Coalitions, primarily those operating in non-entitlement jurisdictions. These grantees further subgrant funds to local or regional service providers who consist of non-profit organizations, faith-based organizations, and city or county government agencies. Additional information is available in the AP-30 section of this report.

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.

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 targets proposed during grant award
- 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 after 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 State - 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

Housing Trust Fund (HTF)
Reference 24 CFR 91.320(k)(5)

How will the grantee distribute its HTF funds? Select all that apply:

☑ Applications submitted by eligible recipients

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".

Not applicable.

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".

Applicants seeking funding to support an affordable housing development project must meet all eligibility requirements as outlined in 24 CFR 93.2 to be considered for HTF funding. In addition to these requirements, DHCD also requests that applicants demonstrate financial and operational experience in federal funding to better ensure compliance with program regulations. Applicants can demonstrate this experience by providing the following:

- Provide a certification to the Department that the entity will comply with the requirements of the HTF program throughout the entire period of performance of the funding award.
- Demonstrate the ability and financial capacity to undertake, comply, and manage the proposed activity.
- Demonstrate the 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.
- Have demonstrated experience and capacity to manage the proposed HTF activity as evidenced by the organization's history to own, construct, rehabilitate, manage and/or operate an affordable multifamily rental housing development.

Any proposed project utilizing HTF funds must clearly demonstrate a benefit to tenants whose income either does not exceed the federal poverty line or who earn at or below 30% of the Area Median Income for the region.

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".

DHCD allocates HTF funding for projects already receiving other departmental funding through programs including Low Income Housing Tax Credits (LIHTC), Multifamily Rental Housing Finance Program (RHFP), Multifamily Bond Program (MBP), and Shelter and Transitional Housing Grant Program (STHGP). HTF funding can also be used to complement non-DHCD housing funding from other state, local, federal, and private/public sources (as long as the funding source is eligible under 24 CFR 93.203).

HTF funds may be requested by a project sponsor at the time of application for any of the above financing programs. DHCD will award HTF funds on a "first-ready, first served" basis for projects and HTF funds may be awarded to make projects financially feasible or increase the number of extremely-low income households being served in other funded projects.

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 utilizes several criteria or threshold factors to determine which applicants will receive HTF funding. This may be assessed through the review of the following items: market assessments, site control, capital needs assessments, phase 1 environmental site assessments, zoning, evidence of utility infrastructure, and evidence of additional funding commitments. Additional information on these items can be found in the attached HTF Allocation Plan.

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".

HTF funding is available for any affordable rental housing project benefiting extremely low income households in Maryland.

DHCD prioritizes projects located in any of the following areas:

- A community of opportunity as defined identified in an order or consent decree entered by a federal or state court of competent jurisdiction or by a settlement agreement to which DHCD or a local government in Maryland is a party.
- A rural area as defined by the U.S. Department of Agriculture's Rural Development program guidelines or any area in Allegany, Caroline, Dorchester, Garrett, Kent, Somerset, Washington, Wicomico, or Worcester counties that are not otherwise CDBG or HOME entitlement communities.
- Any of the following: a certified heritage area within county designated growth areas, a Sustainable Community, Empowerment Zone, Federal or Maryland Enterprise Zone, Main Street or Maple Street Maryland community, or rural village designated in county comprehensive plans as of July 1, 1998 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".

DHCD prioritizes funding projects that are close to "shovel ready". This determination is assessed through the review of the following items: market assessments, site control, capital needs assessments, phase 1 environmental site assessments, zoning, evidence of utility infrastructure, and evidence of additional funding commitments. Additional information on these items can be found in the attached HTF Allocation Plan.

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".

DHCD prioritizes projects that propose the use of project-based rental subsidies for any or all of the HTF-assisted units in the development. Applicants proposing this partnership of funding must provide documentation from a local Public Housing Authority or other entity to confirm that the project-based subsidies will be in place for at least five years with a provision to renew after this period of performance. The project-based assistance may be federal, state, or locally funded.

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".

DHCD requires that all HTF-funded units meet a minimum affordability period of 40 years (beginning at project completion). The affordability requirement is imposed by a Regulatory Agreement or other similar document that is recorded in accordance with state recordation laws. All proposed projects must include a project pro forma that covers the entire 40 year affordability period and details how rents will remain affordable to extremely low income households. The affordability requirement may only be terminated in the event of foreclosure or transfer in lieu of foreclosure.

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 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".

DHCD evaluates all applications to demonstrate whether a proposed project includes a varied and multifaceted funding approach. Projects with a mixture of the following leveraged funding are prioritized:

- Value earned from a federal or state basis boost
- Value earned from non-competitive 4% LIHTC award
- Proceeds of MBP funding
- Local contributions
- Locally-controlled federal resources such as CDBG and HOME
- Other non-DHCD State of Maryland funding
- Private financing
- Private or philanthropic funding

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.

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.

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.

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 developed for another program and being adopted for HTF meet the HTF requirements specified above.

See the attached HTF Allocation Plan for details on the maximum per-unit development subsidy amount for housing assisted with HTF funds.

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 (whichever is 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.

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.

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.

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 93.530, 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.

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: Methods of Distribution

Community Development Block Grant

State Program Name

Community Development Block Grant (Competitive Process)

Funding Source

CDBG

Describe the state program addressed by the Methods of Distribution.

The Community Development Block Grant (CDBG) program was established under Title I of the Housing and Community Development Act of 1974. The program encourages a variety of community development activities focused on neighborhood revitalization, improved housing, economic development, and improvements to public facilities and infrastructure. The State of Maryland passes through funding to non-entitlement areas in the state (non-urban counties with populations under 200,000 residents and municipalities under 50,000 residents) and any proposed activity must both meet a national objective and primarily benefit low and moderate income persons.

Describe all the criteria that will be used to select applications and the relative importance of these criteria.

DHCD holds a competitive application cycle annually to disburse its CDBG funding. Applications are evaluated on the following criteria:

- Proposed project's compatibility with State objectives and priorities.
- The availability of alternate or contributing funding sources for the total project costs or part of its components.
- The amount of other competing applications in the same region of the State.
- The ability of the funding to respond to the locality's needs.
- The degree of community commitment for the project.
- Previous CDBG investment in the community.
- The ability of the applicant to borrow funds.
- The targeted beneficiaries of the proposed project.
- The proposed amount of beneficiaries receiving assistance through the project.

If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)

DHCD makes the CDBG Policies and Procedures Manual available on its website for any potential applicants to access. This manual is updated annually or whenever regulatory updates occur that impact the program.

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)

Not applicable.

Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)

Not applicable.

Describe how resources will be allocated among funding categories.

CDBG funding is awarded based on applications received during DHCD's annual competitive application round and DHCD does not establish set-asides for any specific category. Proposed projects must reflect an eligible activity under the CDBG program as detailed at 24 CFR Part 570 Subpart C.

Describe threshold factors and grant size limits.

The maximum available grant size for CDBG projects is currently $800,000.

What are the outcome measures expected as a result of the method of distribution?

DHCD expects the following outcomes as a result of the above methods of distribution for the CDBG program:

- Improved quality of local infrastructure
- Improved quality of homeowner housing through various rehabilitation activities (including for special needs populations
- Foster healthy and sustainable communities.

Emergency Solutions Grant

State Program Name

Emergency Solutions Grant Program

Funding Source

ESG

Describe the state program addressed by the Methods of Distribution.

The Emergency Solutions Grant program was created with the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009. The grant program supports households and/or individuals who are currently or at imminent risk of homelessness to address immediate shelter and safety needs as well as assist with the transition into stable permanent housing. The State of Maryland utilizes ESG funds to assist with operating expenses for emergency shelters, essential services related to emergency shelters, provide street outreach and other homelessness prevention services, and provide rapid re-housing assistance.

Describe all the criteria that will be used to select applications and the relative importance of these criteria.

DHCD utilizes an annual application process to determine the allocation of ESG funding. Eligible Continuums of Care and local homeless coalitions are invited to apply and each applicant must provide a variety of details including a plan to address homelessness, organizational capacity, community coordination efforts, local needs, implementation of best practices, implementation of a Coordinated Entry System, local actions to eliminate fair housing impediments, and proposed projects with the requested ESG funding.

All applications are also scored on whether the proposed activity aligns with DHCD/HUD preferred performance outcomes, compliance with program regulations, and HMIS data entry requirements.

If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)

Not applicable.

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)

DHCD utilizes an annual application process to award ESG funds to local Continuums of Care which include units of general local government and non-profit organizations. These funds may be further passed through by the local Continuums of Care and homeless coalitions to regional non-profits which may include community and faith-based organizations.

Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)

Not applicable.

Describe how resources will be allocated among funding categories.
DHCD allocates its ESG funding as follows:

- Street Outreach: 8.6%
- Emergency Shelter: 28.4%
- Rapid Re-Housing: 41.8%
- Homelessness Prevention: 13.5%
- Admin: 7.5%

DHCD also provides additional State funding to Continuums of Care for administrative and HMIS expenses.

Describe threshold factors and grant size limits.

Funds are awarded to Continuums of Care based on local need as assessed by annual Point-in-Time Count figures and HMIS data. There are currently no grant size limits.

What are the outcome measures expected as a result of the method of distribution?

DHCD expects the following outcomes as a result of the above methods of distribution for the ESG program:

- Reduced length of time persons experience homelessness
- Reduced rate of first-time homelessness through diversion
- Increased placement of people experiencing homelessness into permanent housing
- Reduced number of returns to homelessness after placement into permanent housing

HOME Investment Partnerships Program

State Program Name

HOME Investment Partnerships Program

Funding Source

HOME

Describe the state program addressed by the Methods of Distribution.

The HOME Investment Partnerships Program (HOME) was established under Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990. The goal of the program is to support affordable housing for low and moderate income households through housing activities such as acquisition, construction, rehabilitation, and tenant-based assistance.

Describe all the criteria that will be used to select applications and the relative importance of these criteria.

Any activity receiving HOME funds must directly benefit low and moderate income households. In addition to this income requirement, DHCD uses a variety of other criteria to evaluate applications for HOME funding. This information can be found in the detailed methods of distribution document attached to this report.

If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)

Not applicable.

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)

Not applicable.

Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)

Not applicable.

Describe how resources will be allocated among funding categories.

DHCD generally allocates its HOME funding as follows:

- Admin: 10%
- CHDO Reserve Projects: 15%
- Multi-Family Projects: 60%
- Single-Family Projects: 15%

Describe threshold factors and grant size limits.

Individual awards are determined on a case by case basis depending on the proposed activity/project. Any multi-family property that utilizes HOME funding must meet the rent subsidy limits as published by HUD for the duration of the affordability period. More detailed information on threshold factors and award limits can be found in the attached methods of distribution document.

What are the outcome measures expected as a result of the method of distribution?

DHCD expects the following outcomes as a result of the above methods of distribution for the HOME program:

- Increase the number of affordable housing units in the state (including for special needs populations); and,
- Foster healthy and sustainable communities.

HOPWA

State Program Name

Housing Opportunities for Persons with HIV/AIDS

Funding Source

HOPWA

Describe the state program addressed by the Methods of Distribution.

The Housing Opportunities for Persons with HIV/AIDS was established under the AIDS Housing Opportunity Act of 1990. The grant program provides housing assistance and other supportive services for low income persons living with HIV/AIDS.

Describe all the criteria that will be used to select applications and the relative importance of these criteria.

HOPWA funds are awarded based on location, availability, type of proposed services, and the number of households with people living with HIV/AIDS in the locality. An agency is awarded funding based on its demonstrated capacity to achieve program goals such as:

- Providing necessary support to achieve affordable and safe housing for low income persons living with HIV/AIDS
- Enhancing housing stability and support retention in HIV care;

Assisting participants to find and maintain stable housing and supportive case management.

If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)

Not applicable.

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)

Not applicable.

Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)

Eligible project sponsors for HOPWA funds are government agencies with targeted programs for persons living with HIV/AIDS. Current and future project sponsors must demonstrate several qualifications including: the ability to manage a federal grant and comply with applicable regulations, established internal controls and fiscal accounting procedures, the ability to coordinate client services with other service providers and leverage (where possible) other resources toward meeting overall client needs and program goals, and the ability to meet all reporting and recordkeeping requirements while maintaining confidentiality of client records.

Describe how resources will be allocated among funding categories.

MDH allocates its HOPWA funding as follows:

- Tenant-Based Rental Assistance (TBRA): 73%
- Short-Term Rent Mortgage Utility Assistance (STRMU): 9%
- Housing Case Management: 9%
- Other Support Services - 9%

Describe threshold factors and grant size limits.

There are no current limits or thresholds factors utilized in the awarding of HOPWA funds.

What are the outcome measures expected as a result of the method of distribution?

The Maryland Department of Health expects the following outcomes as a result of the above methods of distribution for its HOPWA program:

- Provide the necessary support to achieve affordable and safe housing for low income persons living with HIV/AIDS
- Enhance housing stability and support retention in HIV care

Assist program participants find and maintain stable housing and supportive housing case management.

HTF

State Program Name

National Housing Trust Fund

Funding Source

HTF

Describe the state program addressed by the Methods of Distribution.

The Housing Trust Fund was established under Title I of the Housing and Economic Recovery Act of 2008, Section 1131. The goal of the program is to increase and preserve the supply of affordable housing in the region, with a particular emphasis on rental housing for extremely low income (30% AMI) households.

Describe all the criteria that will be used to select applications and the relative importance of these criteria.

Applications for HTF funding are awarded on a non-competitive, "first-ready, first-served" basis that complements other on-going department housing projects. This approach allows DHCD to leverage multiple funding sources to make projects financially feasible and increase the total number of households served.

A full description of eligibility requirements and other criteria can be found in the attached HTF Allocation Plan.

If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)

Not applicable.

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)

Not applicable.

Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)

Not applicable.

Describe how resources will be allocated among funding categories.

DHCD allocates 90% of its annual HTF funding for the production, preservation, and rehabilitation of affordable rental housing. The actual allocation among these funding categories varies depending on applications received and/or ongoing projects in the region, but DHCD has established the following priority funding areas for HTF funds:

Additional information can be found in the attached HTF Allocation Plan.

Describe threshold factors and grant size limits.

DHCD utilizes several threshold requirements in the allocation of HTF funding including: market assessments, site control, capital needs assessments, phase 1 environmental site assessments, zoning, and evidence of utility infrastructure. A full description of threshold factors can be found in the attached HTF Allocation Plan.

Total grant awards vary based on the proposed activities utilizing HTF funding.

What are the outcome measures expected as a result of the method of distribution?

DHCD expects the following outcomes as a result of the above methods of distribution for the HTF program:

- Increased available housing for extremely low income households
- Increased housing for elderly residents in rural regions of the state
- Increased housing opportunities for homeless households

Rural Infrastructure Planning Program

State Program Name

Rural Infrastructure Planning Program

Funding Source

CDBG

Describe the state program addressed by the Methods of Distribution.

The Rural Infrastructure Planning Program will assist rural, non-entitlement counties in Maryland with the development of comprehensive water and wastewater infrastructure plans in conformance with modern state standards.

Describe all the criteria that will be used to select applications and the relative importance of these criteria.

DHCD will hold a competitive application cycle to disburse funding for the Rural Infrastructure Planning Program. Eligible applicants will include:

- Non-entitlement counties
- Jurisdictions with water and sewer plans whose last update exceeds ten years or will exceed ten years within one year of the competitive application cycle opening.

Applications will be evaluated by the following criteria:

- The timeframe that an existing plan is out of date
- The availability of local funding available to respond to the locality's needs
- The proposed applicant's compatibility with State objectives and priorities

As the Rural Infrastructure Planning Program is a planning and capacity building activity, per CDBG regulations, applicants will not be required to meet a national objective or provide beneficiary information with any request for funding.

If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)

DHCD makes the CDBG Policies and Procedures Manual available on its website for any potential applicants to access. This manual will apply to the Rural Infrastructure Planning Program.

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)

Not applicable.

Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)

Not applicable.

Describe how resources will be allocated among funding categories.

Funding for the Rural Infrastructure Planning Program will not exceed the statutory thresholds established by HUD for planning and capacity building activities.

Describe threshold factors and grant size limits.

The maximum available grant size for applicants will not exceed $800,000.

What are the outcome measures expected as a result of the method of distribution?

DHCD expects the following outcomes as a result of the above methods of distribution for the Rural Infrastructure Planning Program:

- Improved quality of local infrastructure
- Foster healthy and sustainable communities

Appendix B: HOME Methods of Distribution

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.

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 2026 / STATE FISCAL YEAR 2027 ALLOCATION

The State will receive $5,990,130.95 for FFY 2026 (SFY 2027) 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:

Category	Funding
Administrative Allowance	$599,013.09
CHDO Operating Assistance	$0.00
CHDO Reserve Projects	$898,519.64
Multi-Family Projects	$4,992,598.22
Single Family Projects	$1,000,000.00
Total	**$7,490,130.95**

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.

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 2026 HOME funds in the amount of $5,990,130.95 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.

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 ($599,013.09) will be allocated as follows:

• $ 599,013.09 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 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 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 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 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 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.

Legal Method

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 C: 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.