Pathways to Removing Obstacles to Housing (PRO Housing) Round 2 Application

Maryland Department of Housing and Community Development

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Exhibit A: Executive Summary

Maryland Department of Housing and Community Development

Maryland is currently facing a housing crisis with an estimated 150,000 affordable housing units missing from its housing stock. The COVID-19 pandemic and its economic impact have invariably worsened this crisis. Rising interest rates, building costs, and labor have all exacerbated the issue, dampening the already tepid rate of new housing construction in Maryland. Compounding these issues, overly restrictive land use controls limit what kind and the density of housing that can be built, further suppressing construction. While these issues are not unique to Maryland, the state is unique in the degree of restrictiveness in its land use controls. According to the "Zoning Restrictiveness Index," recently developed by the Eviction Lab, the Washington, D.C. metropolitan statistical area, which includes 5 Maryland counties, had the most restrictive land use controls out of the 48 areas studied.

These restrictions not only impact new housing construction generally, they have the specific impact of limiting where low-resource households can live. Low-density zoning districts typically lead to higher building costs, pricing out many households. This segregation by income, and often race, presents Maryland with a fair housing issue that warrants action. Yet, we currently lack objective metrics to either determine where in Maryland land use controls are most restrictive or their impact on economic mobility and racial disparities.

Therefore, the first proposed activity funded through this grant is a statewide analysis of barriers to housing. This analysis will examine and map zoning codes, zoning restrictiveness, permitting timelines, fees, barriers to manufactured and modular housing, and segregation by race and income. This publicly available tool will allow the Department of Housing and Community Development to conduct statistical analyses to examine the interaction of these different components. This tool will highlight areas in Maryland that are highly segregated and have restrictive zoning in need of reform.

The second component will provide communities with the tools to undertake that reform. The Maryland Department of Planning (MDP) proposes to develop a suite of model ordinances that jurisdictions can use to update their various land use codes and plans. MDP will also provide local jurisdictions on-going technical assistance to guide them through the process of updating their zoning codes to allow for greater variety and density of housing.

The third activity proposed is the creation of a Community Engagement Strategic Plan and Toolkit designed to empower local communities, especially communities of color and other vulnerable populations, to avoid displacement and other issues that sometimes accompany rapid new development.

The fourth activity proposed under this grant is to provide subgrants to local jurisdictions to fund their undertaking pro-housing zoning reforms and updating permitting processes to create an expedited review process for affordable housing. Driven by the results of the housing barriers

analysis and the guidance provided by MDP, this funding will serve as the necessary catalyst for dozens of jurisdictions to undertake fundamental reforms.

The fifth activity proposed is the creation of model transit-oriented development language via a noncompetitive subgrant to Anne Arundel County for planning to support the expansions of housing and retail called for in the Odenton Joint Development solicitation. This activity supports an already in-progress proposal that will increase housing options in close proximity to a transit station with access to the Baltimore and Washington, D.C. metro cores, and provide a model State of Maryland Transit Oriented Development.

The sixth and final proposed activity is funding and organizing an annual convening of local jurisdictions to discuss and share best practices related to housing development at the local level, which will allow local jurisdictions across the state to better learn from each others' successes and missteps in order to implement appropriate reforms and other measures in their own communities.

Exhibit B: Threshold Requirements and Other Submission Requirements

Maryland Department of Housing and Community Development

Threshold Eligibility Requirements

1. The Maryland Department of Housing and Community Development (DHCD) does not have any pending or unresolved civil rights matters.
2. This application will be submitted by the grant deadline of October 15, 2024.
3. Maryland DHCD is an eligible applicant as an executive department of the State of Maryland. States are listed as eligible applicants in Section III.A of the notice of funding opportunity.
4. Only one application will be submitted on behalf of Maryland DHCD.

Other Submission Requirements

This application will include all required standard forms. Maryland DHCD is compliant with all other requirements listed in Section IV.G of the notice of funding opportunity.

Exhibit C: Need

Maryland Department of Housing and Community Development

i. Demonstrate your progress and commitment to overcoming local barriers to facilitate the increase of affordable housing production and preservation, primarily by having enacted improved laws and regulations.

The State of Maryland has been a leader in the creation and preservation of affordable housing. Maryland has recently passed significant statewide legislation to facilitate the increase of affordable housing production and preservation, including legislation to require local jurisdictions to reduce barriers to housing production, report on housing permitting process timeframes, and plan for fair and affordable housing. Making Maryland a desirable and affordable home for all residents is one of the ten tenets of the Moore-Miller State Plan, which is reflected in Governor Wes Moore's sponsorship of successful legislation to remove barriers, and the Governor's historic investment in affordable housing production financing tools. These actions have removed key barriers to the production of affordable housing statewide.

Statewide Legislation Mandating Jurisdictions to Plan for Affordable Housing

The State of Maryland has a history of implementing laws designed to encourage local land use policy changes to overcome barriers to affordable housing production and preservation. Most of these laws have focused on requiring jurisdictions to assess and plan for their affordable housing needs. Notably, the 2009 Planning Visions Bill, HB 1045 (2019), and HB 90 (2021) have established statewide requirements for local jurisdictions to plan housing development for a range of income types. Through this legislation, the state of Maryland has encouraged meaningful local land use policy changes. Moreover, the Maryland Department of Planning has developed deep experience with providing technical assistance to jurisdictions undertaking comprehensive planning updates.

In 2009, the Planning Visions bill (SB 273/HB 294) was enacted to describe the State's land use policy and require local jurisdictions to plan for and implement a range of housing densities, types, and sizes that provide options for all ages and incomes. The bill also requires local jurisdictions to report to the state if an Adequate Public Facilities Ordinance (which ties development approvals under zoning and subdivision ordinances to specifically defined public facility standards) results in the restriction of new development (including residential housing development). As of 2022, 14 counties and 25 municipalities in Maryland have adopted an APFO.

This statewide planning and reporting requirement has documented significant local action on removing barriers to affordable housing development imposed through APFOs. Notably, both Montgomery and Howard counties, the two counties in Maryland with the highest Housing Affordability Factor, have adopted reforms and exceptions to their APFO requirements to facilitate more housing development in the last five years. In 2018, Howard County allowed for certain

exceptions for moderate income housing units and low-income tax credit projects. While measurable improvement has occurred (the total number of proposed housing units on hold due to school capacity limitations decreased from 804 units in 2017 to 505 units in 2022), regulatory school capacity limitations remain a significant barrier to residential development in Howard County. In 2021, Montgomery County adopted a new Growth and Infrastructure Policy that completely eliminated both school capacity and transportation limitations to new housing development. Other jurisdictions are also taking steps to ameliorate the impact of infrastructure constraints on new residential development: for example, Anne Arundel County is currently in the process of redistricting schools to address school capacity constraints in the north of the County that have long delayed new housing development.

Maryland's Land Use Article states that local planning commissions must adopt a comprehensive plan that meets state requirements. The comprehensive plan must be reviewed and updated every ten years. In 2019, HB 1045 was enacted to require local governments to add a housing element to their comprehensive plan that will address the need for affordable housing within their jurisdiction, including housing for households below 60% of Area Median Income. The Maryland Department of Planning reviews comprehensive plans, provides technical assistance, and creates models and guidelines to implement them. The resources provided have included technical assistance from dedicated state Regional Planners, example model housing element processes, outlines of affordable housing best practices from a variety of Maryland communities, and examples of affordable housing planning and studies recently completed by Maryland jurisdictions.

Five of Maryland's 23 counties have adopted updated comprehensive plans since housing elements have become required. For example, Baltimore County's 2020 Comprehensive Plan states that the County "should provide appropriate incentives and zoning" to encourage "rental housing in mixed-use, mixed income and mixed housing projects," and recommends an action to explore implementing inclusionary zoning ordinances. Montgomery County's 2022 Comprehensive Plan discusses developing more "missing middle" housing, increasing the racial and economic diversity of neighborhoods, and increasing regulatory flexibility to incentivize infill development. Dorchester, Garrett, and Queen Anne's counties have also adopted updated comprehensive plans that contain elements encouraging increased housing density and the development of more housing types. Taken together, the housing elements of these comprehensive plans, as adopted by county governing bodies, demonstrate a broad interest in and commitment to pro-housing regulatory reforms across the state of Maryland.

More recently, effective January 2023, House Bill 90 requires all housing elements for municipalities and non-charter counties' comprehensive plans to affirmatively further fair housing. The legislation additionally requires the Maryland Department of Housing and Community Development to report on the efforts by the State, political subdivisions, and housing authorities

to promote fair housing choice and racial and economic housing integration. The ongoing compilation of that report has revealed a patchwork of progress on furthering fair housing at the local and regional level across the state. Both regional metropolitan planning organizations with footprints in Maryland, the Baltimore Metropolitan Council (which includes six Maryland counties and Baltimore City) and the Metropolitan Washington Council of Governments (which includes four Maryland counties and ten Maryland municipalities), have in the last three years completed analyses of impediments to fair housing that include both regional and local action plans. WashCOG finished their region's most recent analysis in November 2023,
including both Montgomery County and the City of Gaithersburg in Maryland. BMC is in the process of updating the Baltimore-area 2020 Regional AI, which includes Annapolis and Baltimore, as well as Anne Arundel, Baltimore, Harford, and Howard counties. Baltimore-area jurisdictions anticipate a final AI in January 2025. The in-progress 2025 AI is exploring the kinds of zoning and adequate public facilities impediments to additional housing that DHCD proposes to build on via its proposed activities. However, at least six Maryland counties have not completed any fair housing analysis or planning. While there is a strong foundation for removing impediments to fair housing across the state of Maryland, that foundation is not equal across jurisdictions.

Statewide Legislation Mandating the Removal of Regulatory Barriers to Housing Production

Under the Moore-Miller Administration, the State of Maryland recently adopted two pieces of legislation aimed at improving processes and outcomes related to Transit Oriented Development (TOD) efforts as well as allowing for new and denser housing developments near transit stations. In 2023, Governor Moore signed into law the Equitable and Inclusive Transit-Oriented Development Enhancement Act, which creates a TOD Capital Grant and Revolving Loan Fund and reduces several barriers to effective TOD redevelopment activities, including expanding eligible areas and reshaping the TOD designation process to align with Maryland's smart growth framework. In 2024, Governor Moore sponsored and signed into law the Housing Expansion and Affordability Act, which creates a state land use preemption to require local jurisdictions to provide density bonuses for projects that include affordable housing within .75 miles of a planned or existing rail station, as well as on land owned by a nonprofit or formerly part of a state-owned campus. The HEAA also requires local jurisdictions to allow modular or manufactured homes to be placed in any zone that allows single-family housing.

Also in 2024, Maryland DHCD created the Division of Just Communities, which draws inspiration from the work of the Just City Lab at Harvard and whose mission is to transform policies, programs, decision-making processes, and investment decisions in ways that advance the goals of race equity and community empowerment.

To complement this new division, DHCD authored and advocated for the successful passage of a new Just Communities Designation framework (HB241). This first-of-its-kind legislation creates

a resource-targeting mapping layer and authorizes DHCD and other state agencies to use data related to key race equity indicators in order to prioritize funding to communities that have suffered from historical and ongoing disinvestment and systemic harm. This designation will enable DHCD and other state agencies to direct funding into these areas, supporting projects either by awarding bonus points in competitive funding rounds, by setting aside a certain percentage of funding pools, or by dedicating entire funding streams.

Yet another piece of legislation aimed at addressing barriers to housing adopted in 2024 is House Bill 131, which requires local jurisdictions with at least 150,000 residents – which includes the priority geographies of Prince George's, Montgomery, Howard, and Anne Arundel counties – to report to DHCD and the Maryland Department of Planning extensive information about their permitting processes for developments that include a housing component. The required information includes the number of applications received, the net number of residential units approved, the mean and median processing times for permit applications, and information about any type of expedited permit application processes employed by the local jurisdictions to accelerate residential development projects. The Department expects this legislation to help identify and mitigate "pain points" in local permitting processes as they relate to residential housing development.

In sum, Maryland has a very strong legislative track record of requiring jurisdictions to reduce impediments to housing production and to plan for housing for a wide range of incomes. Through years of experience, the Maryland Department of Planning has developed substantial expertise providing technical assistance to jurisdictions undertaking local planning efforts regarding housing.

Significant Statewide Investment in the Production and Preservation of Affordable Housing

The State of Maryland has made a significant state budgetary investment in the production and preservation of affordable housing. The Maryland Department of Housing and Community Development (DHCD) is the largest financier of affordable housing in the state of Maryland. Between Fiscal Years 2016 and 2024, DHCD supported the creation of 31,515 affordable rental units across 317 projects and communities through the deployment and leverage of $563.2 million in state funds for affordable housing financing. Most recently, in Fiscal Year 2024 (July 2023 - June 2024), DHCD created 2,949affordable rental units for Maryland's families, seniors, and persons with disabilities. This was accomplished through the investment of $86.8 million in state funds, alongside deployment of federal Low Income Housing Tax Credit, HOME, and National Trust Fund resources.

In addition to DHCD's rental housing investment, the Department has enacted policies consistent with best practices on ensuring that investment furthers fair housing and expands opportunity for

low-income families. Across all of DHCD's multifamily rental housing programs, the following priorities guide the award of competitive and non-competitive funding: (1) family housing in communities of opportunity; (2) housing in community revitalization and investment areas; (3) integrated permanent supportive housing opportunities; (4) preservation of existing affordable housing; (5) elderly housing; (6) permanent supportive housing for veterans and persons experiencing homelessness; and (7) housing for low-income agricultural, fishery, livestock, and poultry workers. Additionally, all multifamily housing projects that receive state funding must develop and implement an Affirmative Fair Housing Marketing Plan.

In the implementation of the Low Income Housing Tax Credit (LIHTC) program, DHCD requires a long-term affordability covenant of 40 years, a 33% increase in duration over the federal minimum. Moreover, the Qualified Action Plan (QAP) specifies that all projects located within "communities of opportunity" that request competitive tax credits qualify for the state 30% basis boost, which increases a property's maximum tax credit allocation and allows a LIHTC property to generate more equity. Communities of opportunity are defined for this purpose as areas with composite community health, economic opportunity, and educational opportunity indexes above the statewide average. Maryland DHCD has also adapted its QAP to provide incentive points for LIHTC projects located in TOD areas as well as for projects tied to Joint Development efforts. WMATA and MDOT are both planning to launch new Joint Development efforts in late 2024, with several more on the horizon for subsequent years. Maryland DHCD has also entered into a new MOU with MDOT to better coordinate state investments to spur greater housing development, especially affordable housing and denser multifamily housing, near transit stops. Finally, DHCD allows for a local jurisdiction to provide comments on a proposed project receiving a LIHTC allocation, but does not require or consider local approval. Cumulatively, these efforts increase housing production for low- and moderate-income populations, increase access to affordable accessible housing in high opportunity areas, and invest in underserved communities.

Most recently, the Department has additionally implemented two innovative affordable housing pilot programs to reduce barriers to affordable housing in underserved communities. In 2021, legislation (HB1239) created a $10 million Homeownership Works pilot to provide a public funding tool to address the appraisal gap (where the cost to build or renovate a home exceeds its sale value) in historically underserved communities; the FY 2025-2029 Capital Improvement Plan includes $10 million for this program annually. The implementation of this program is paired with targeted energy efficiency upgrade and critical repair funding to strengthen the surrounding neighborhood. In April 2023, Governor Wes Moore announced $3 million in awards from the Emerging Developer's Loan Fund for nine undercapitalized developers working in historically disinvested communities to create or preserve approximately 498 affordable housing units. The FY 2025-2029 Capital Improvement Plan includes $3M annually for this program.

Consistently, DHCD has implemented best practices to advance fair housing through the State's significant statewide investment in producing and preserving affordable housing rental units. As the single largest financier of affordable housing in the state, the allocation of DHCD investments directly shapes where rent-restricted housing is produced for low-income Maryland residents. The results of these policies on patterns of DHCD investment were studied by a 2022 report led by the University of Maryland Center for Smart Growth, which found that the majority of DHCD program funds are directed to majority Black, Indigenous, and People of Color (BIPOC) areas.

Statewide Analysis to Identify Barriers to Affordable Housing Production

In 2020, DHCD commissioned the *Maryland Housing Needs Assessment & 10-Year Strategic Plan* to chart a course for the state to become a more affordable place to live by 2030. In this comprehensive analysis, key solutions to address Maryland's pressing housing needs included local regulatory changes: increasing the predictability of the regulatory process, offering expedited development review of affordable housing, enacting zoning changes to allow for higher density development, and amending zoning to allow by-right development of diverse housing types, among others.

ii. Do you have acute demand for affordable housing? What are your remaining affordable housing needs and how do you know?

As described in more detail in the Soundness of Approach section, Maryland DHCD's proposal focuses implementation activities in counties and municipalities identified as "priority geographies" in the PRO Housing Notice of Funding Opportunity. Over half of Maryland's population lives in a county or municipality that meets the threshold criteria for priority geographies, speaking to the acuteness of the housing crisis in the state.

Several factors combine to make Maryland's housing crisis particularly acute. Maryland consistently ranks near the top of states with the highest costs of living, and in recent years, both home prices and rent costs have increased significantly. Maryland's lower-income residents often struggle to find affordable housing because of a lack of supply. Statewide, according to the National Low-Income Housing Coalition, Maryland has a shortage of nearly 150,000 housing units available and affordable to families below 50% Area Median Income. Statewide, nearly four-fifths of renters below 50% AMI are classified as cost-burdened, meaning they spend more than 30% of income on housing costs. Only 32 housing units are available and affordable for every 100 extremely low income (<30% AMI) households. These housing supply issues are particularly acute in the Washington, D.C. suburbs, such as Prince George's and Montgomery counties.

In Montgomery County, for instance, nearly half of the approximately 150,000 renter households are classified as cost-burdened. Of those cost-burdened renter households, 28% are households

that make above 50% AMI, and this is due to the county's extremely high rents, which averaged over $1,900 per unit, or over $2/square foot, in 2022. To afford the average 2-bedroom apartment in Montgomery County – at $2,100/month – without being cost-burdened, a family would need to earn at least $84,000 per year, or the equivalent of two full-time jobs paying $21/hour. Over the past several years, the county has seen a vacancy rate hovering at or just below 5% – indicative of a severely constrained housing market. The average sale price for a single-family home in Montgomery County currently hovers around $550,000 – only affordable for households over 120% of AMI. In the highest-cost localities within the county, such as Bethesda and Potomac, the average sale price of a new home is well over $1 million, effectively pricing out anyone whose income is not significantly above average, even for this high-income area. About one-quarter of Montgomery County homeowners are classified as cost-burdened. Other jurisdictions in the densely populated Washington, D.C. suburbs, including Prince George's, Howard, and Anne Arundel counties, face similar acute needs for affordable housing for their residents.

Age of housing stock is also a significant issue statewide. While the median age of housing units statewide is about 40 years according to the U.S. Census Bureau, the numbers range widely by individual jurisdiction. For instance, in rural Allegany County, a priority geography, 42.7% of housing units were constructed before 1950. In densely populated Prince George's County, well over half of the housing units were constructed before 1980, and over 20% before 1960. In Linthicum, a Baltimore suburb and priority geography located in Anne Arundel County, nearly 70% of housing units were built before 1980. Removing barriers to and incentivizing new construction, along with existing projects to maintain and rehabilitate aging housing stock, will place more Marylanders in safe, modern housing.

iii. What key barriers still exist and need to be addressed to produce and preserve more affordable housing?

Across the state of Maryland, legacy land use and development regulations remain key barriers to the production of all residential housing, including affordable housing. Zoning laws, permitting processes, and adequate public infrastructure requirements are key barriers to residential housing development that directly contribute towards the mismatch between the supply of and demand for housing - especially for residents with low-incomes.

Low-density zoning remains a key barrier statewide to the production of housing

Zoning that places restrictions on the types of homes that can be built in a neighborhood is often referred to as "exclusionary zoning." Limiting more affordable housing options, such as apartment buildings or smaller-sized homes, systematically restricts lower-income residents from living in certain areas. These kinds of zoning restrictions are prevalent in Maryland: the *Maryland Housing Needs Assessment & 10-Year Strategic Plan* noted that 50% of Maryland's housing stock is single-family, detached homes, and most zoning statewide supports low-density residential development. Indeed, a 2010 analysis from the Maryland Department of Planning found that 52% of developed

land was zoned as either very-low density residential, or low-density residential. National analyses of zoning restrictiveness have confirmed that local zoning laws remain a barrier to affordable housing production in Maryland. A 2023 analysis by the Eviction Lab ranked the Washington, D.C. metropolitan area (which includes five Maryland counties) as the MSA with the most restrictive zoning out of those included in the study.

The predictability and consistency of permitting procedures remain a key barrier statewide
Building permits are an important regulatory tool to ensure safety. However, limited staff capacity, inadequate processing systems, and other limitations can foster permit processes that are inconsistent and non-transparent. In some cases, the process of obtaining all required permits and approvals may add months or even years to the timeline for a residential development, increasing costs and delaying projects. While the General Assembly took a significant step toward addressing this issue by enacting House Bill 131 in 2024, the permitting data reporting requirements only apply to jurisdictions with over 150,000 residents, exempting Maryland's more rural counties and smaller municipalities.

Some rural jurisdictions in Maryland have not transitioned to online building permitting processes due to cost and technical capacity. Other jurisdictions have outdated electronic permitting systems that are unable to adequately serve local staff or developers. Stakeholder engagement with the Maryland Association of Counties and Maryland Municipal League on barriers to housing production has repeatedly emphasized the need for increased resources and staff capacity to improve permitting timeframes. Moreover, targeted reforms to permit processes, such as expedited permit review for affordable housing developments, requires additional staff and operational capacity from already constrained departments. Fiscal constraints to implementing both large-scale and targeted reforms to local permitting processes to facilitate both more housing overall and more affordable housing remain a key barrier to housing production and preservation in Maryland.

Requirements for adequate public facilities remain a statewide barrier to housing development
The 2009 Planning Visions legislation requirement for jurisdictions to report to the state if an Adequate Public Facilities Ordinance (APFO) results in the restriction of new development has emphasized that infrastructure capacity remains a consistent, significant barrier to new residential development across the state. School districts operating at thresholds above the state-rated capacity are a consistent barrier: between 2016-2021, Anne Arundel, Baltimore, Calvert, Frederick, Harford, Howard, and Montgomery Counties all reported housing development moratoriums in attendance areas for oversubscribed schools. Additionally, jurisdictions have reported sewer system capacity, water system capacity, roadway intersections failing transportation ratings, and police department capacity as infrastructure requirements that have prevented residential development. While statutory requirements differ statewide, generally, proposed developments impacted by these regulations cannot move forward unless the infrastructure capacity has been improved, or unless a period of four to seven years has passed.

While jurisdictions have made significant progress on addressing pressing infrastructure needs, finding fiscal solutions to solve for adequate public infrastructure is a consistent statewide challenge. Adapting the requirements in APFOs to mitigate the impact on residential housing development, as some jurisdictions in Maryland have already done, is another path forward. However, engaging in a process to update a jurisdiction's APFO that is data-driven and sensitive to legitimate community concerns and trade-offs is itself costly, limiting local governments' abilities to revise policy.

Limited identification of targeted implementation activities to further fair housing statewide
Local jurisdictions across Maryland have consistently adopted planning documents that express support for increasing zoning density, increasing housing access for low-income households in areas of opportunity, and otherwise furthering fair housing. However, it is rare that these planning documents are able to delve into the specifics. As in many communities across the nation, Maryland jurisdictions are supportive of pro-housing regulatory reforms in the abstract but have faced consistent political, budgetary and infrastructure hurdles to implementing specific, neighborhood-level changes.

The ongoing statewide implementation of requirements for jurisdictions to plan for low-income housing and to further fair housing, in addition to significant independent initiative at the local level to independently undertake these efforts, has laid considerable groundwork. A key remaining barrier is transforming this groundwork into a statewide blueprint that directs both affordable housing investment and local regulatory reforms.

Exhibit D: Soundness of Approach

Maryland Department of Housing and Community Development

i. What is Your Vision?

While Maryland has proactively attempted to identify and address racial and economic segregation, fundamental inequities, driven by where affordable housing is and isn't located, continue to create a bifurcated society. Out of over 3,200 counties in the country, Maryland contains some of the most affluent in the nation, most notably Howard (the 7th wealthiest by 2021 5-year median household income), Calvert (17th), and Montgomery (20th). At the same time, Maryland also contains among the most rental cost-burdened counties in the nation, such as Somerset (66th) and Kent (70th). Even within the more affluent jurisdictions, rental cost burden matches or exceeds the national average. These disparities reflect the lack of opportunity that is afforded to low-resource households, denying them access to the educational, employment, and recreational opportunities that high-resource communities provide.

Fundamentally, these inequities stem in part from land use practices that are in conflict with commitments to producing affordable housing where it is needed. Addressing the problem requires a multi-pronged, multi-phased approach. Accordingly, we are proposing statewide and local components of our application. In concert, these two arms of our proposal seek to both identify and reduce impediments to fair housing.

Activity 1: Statewide Analysis to Development Barriers

To address the multitude of land use issues identified in this application, the State must be able to speak to the issue from a data-driven perspective. Although the newly implemented HB 131 requires larger jurisdictions to report to the State extensive data on their permitting processes, that is only a limited data set from which we can draw few conclusions from. Defining how other land use controls suppress new housing construction, in particular affordable housing, requires a more intensive data gathering process than the State currently has the resources for.

Therefore, DHCD proposes, as its first proposed activity under this grant, a detailed, ongoing statewide analysis of barriers to housing development, focusing on land use controls and their association with both concentrations of inequities and suppressed affordable housing construction. Carried out by a third-party entity under the supervision of DHCD, and with technical assistance, data, and as available, local jurisdiction-specific input from the Maryland Department of Planning, this analysis will contain several components. First, Maryland will replicate the National Zoning Atlas project, modeled off of the project's application in Connecticut. In the Connecticut Zoning Atlas, the project's developers went beyond simply identifying what areas are residential versus non-residential. They broke the zones down by the number of units permitted, if they are permitted by right or after a public hearing, and the minimum lot size required to build those units. They also include an entire section on accessory dwelling units, encompassing where they are allowed, occupancy requirements, and physical requirements. This detail allows the viewer to understand what parts of the state are most restrictive of new construction.

While the minute details of lot sizes and by right allowances are critically important for both the State and researchers to analyze, they are not very easy for the general public to understand. Therefore, the second component of this analysis is the Eviction Lab's Zoning Restrictiveness Index. According to their 2023 paper in *Urban Studies* on their construction of the National Zoning and Land Use Database, the researchers utilized a variety of different metrics, such as minimum lot sizes, approval authorities, and maximum permitted density, to formulate a restrictiveness index score for each municipality studied. This score will create an easy-to-understand rating of zoning restrictiveness in Maryland. This proposal would include data from all jurisdictions in Maryland and make both the map and underlying data publicly available.

The third component of this analysis is a detailed analysis of permitting processes, impact fees, and barriers to manufactured and modular housing. Building on existing legislation such as HB 131 and the Housing Expansion and Affordability Act, gathering this information is an important first step that will make it possible to identify bottlenecks, capacity limitations, processes that are resulting in serious development delays, and opportunities for streamlining and reform, and will make the HEAA's preemption of local prohibitions on manufactured and modular homes more effective. For example, understanding how long the entire process takes from an initial application for a pre-development permit, such as grading, to receiving a final building permit, and the amount and type of impact fees required for housing developments, will shed light on jurisdictions that have barriers to new construction. While a complete account of every process in every jurisdiction would be ideal, a more targeted analysis approach may be a sufficient starting point and could be accomplished in a reasonable amount of time.

The fourth component of this analysis will consist of showing the interaction between zoning and segregation via the use of census-tract-level racial, ethnic, and income data. Juxtaposing demographic data with zoning districts will help to illuminate potential associations and enable data-driven policymaking and reforms that affirmatively further fair housing in Maryland. Statistical analyses will serve to highlight which areas of the state are most in need of action. They will also create a level of accountability for individual jurisdictions. For example, demonstrating an empirical relationship between restrictive zoning and racial and/or economic segregation in Maryland communities will facilitate focused discussions concerning specific areas in need of rezoning.

To present this data, in addition to a prepared report, this proposal envisions creating a publicly available mapping tool and making the individual datasets publicly available for download. Layering each of these different analyses within the same mapping tool will allow the public to understand the interplay between the data points discussed in this application. Where visually appropriate, this tool would also include as layers some of the statistical analysis to better demonstrate which parts of the state may warrant the greatest attention.

The intent of developing these datasets is multifold. As discussed above, these analyses are needed for Marylanders to engage in productive conversations about specific zoning reforms. These analyses will also allow Maryland and the individual entitlement jurisdictions to better adhere to the proposed HUD rule on affirmatively furthering fair housing. Jurisdictions will require substantial new data collection to satisfy these new requirements. As this proposed statewide analysis will include some census block and zoning district-level data, jurisdictions will be able to pull the data to inform their own equity plan development. Further, these analyses will form the basis of the remaining action taken through this grant. As outlined below, with guidance and technical assistance from the Maryland Department of Planning, priority jurisdictions will be funded to make changes to their land use controls to address the issues identified through these analyses.

As the ultimate goal of this activity is to increase the supply and availability of affordable housing, this activity ties back to the national objective of benefiting low- and moderate-income persons. Beyond generally attempting to identify impediments to new construction of affordable housing units, this activity examines how high-resource communities' land use policies inhibit affordable housing production. With respect to this being an eligible activity for this grant, this activity identifies numerous land use barriers to affordable housing production, informing actions that will ultimately remove them. This activity will also inform jurisdictional activities that "further develop, evaluate, and implement housing policy plans" and "improve housing strategies." This activity is expected to commence in year 1 and complete in year 2.

Activity 2: Model Ordinance Development and Intensive Technical Assistance

The analysis detailed above is ultimately intended to help local jurisdictions trace housing development shortfalls back to zoning decisions. Jurisdictions will still need to undertake reforms for these analyses to lead to the construction of new affordable housing units. However, local governments often lack the resources needed to undertake ambitious or innovative land use reforms. Smaller jurisdictions may lack staff with the expertise necessary for these efforts. To aid these jurisdictions, the Maryland Department of Planning (MDP) will develop a series of model ordinances and zoning code changes covering a variety of different "pro-housing" reforms, as informed by the analysis in Activity 1. These models may include: allowing accessory dwelling units by right; "missing middle" housing in single-family districts; bonus density for affordable housing construction; inclusionary zoning; reducing height, set-back, and parking restrictions; and reducing minimum lot sizes.

On top of supplying jurisdictions with these models, MDP will provide technical assistance, once the analysis and mapping tools of Activity 1 are complete, to local jurisdictions to support these reforms, including by amending their comprehensive plans and adequate public facility ordinances. This activity fits into MDP's mandate to offer data, analysis, research and policy development assistance, and implementation support to local governments. Simply offering

jurisdictions model ordinances is not enough to ensure action.Jurisdictions must update numerous code components in concert to achieve the intended outcomes. MDP will provide jurisdictions with the needed expertise and guidance to know when and how to update these respective documents.

In developing and providing these model ordinances and guidance to jurisdictions, MDP will draw from the results of the housing barriers analysis to determine where particular interventions are most needed and effective. By having this data to turn to, MDP can effectively make the argument to local jurisdictions that changes are required to their land use processes. Furthermore, these results will also allow MDP to better target its outreach to jurisdictions that have the highest need for land use changes. Working in concert, these two activities can proactively address the land use controls that have contributed to the housing supply shortage.

As with the housing barriers analysis, the intent of creating model ordinances is to create specific pathways for increasing the supply of housing affordable to low- and moderate-income households. Therefore, this activity is in line with the national objective of benefiting low- and moderate-income persons. Furthermore, since this activity is tied to the results of the analysis, a key goal is increasing affordable housing supply in communities that are highly resourced but that provide limited opportunities for low-income households to access those resources. Therefore, the present proposal seeks not only to increase the supply of affordable housing but also aims to do so in areas of opportunity.

Activity 3: Community Engagement Strategic Plan and Toolkit

DHCD proposes a third activity aimed at enhancing the community engagement associated with its new Just Communities Division and mapping layer. While new funding and investment might well benefit and be welcomed by communities that have suffered from historical and ongoing trauma and harm, this is by no means a foregone conclusion. Significant investments of this kind run the risk of accelerating gentrification and displacement and also carry the risk of bringing powerful interests into communities that can further divide or disempower local residents.

To mitigate these risks, DHCD proposes the creation of a Community Engagement Strategic Plan and Toolkit to guide DHCD staff and partners in people-centered placemaking envisioned by the Just Communities framework. PRO Housing grant funds will enable DHCD to hire a consultant group to connect with community leaders and grassroots organizations in PRO Housing target geographies to better understand communities' perceptions of DHCD and Maryland State Government more generally and to gather recommendations for approaches that would empower communities in decision-making and foster meaningful dialogue and participation.

The creation of the Community Engagement Strategic Plan and Toolkit takes inspiration from local efforts, such as the efforts of Montgomery County, Maryland to lay out a vision for

Community Engagement for Racial Equity and Social Justice, as well as from efforts by other states, such as California's DHCD's Toolkit of Best Practices to Advance Racial Equity.

The Community Engagement Strategic Plan and Toolkit will provide housing and community development practitioners and residents with a wide range of information, principles, best practices, decision-making criteria, and examples that cover key issue areas and common processes, such as prioritization of particular sites, project planning phases, community/developer disagreements, channels for voicing concerns or grievances, impact assessments, community needs, and more. The intent of this effort is to provide staff and partners with a clear and consistent method for engaging communities. The final product will be general enough to apply to a wide range of situations while also acknowledging that approaches must be adapted to respect the differing unique needs and cultures of different local communities.

Activity 4: Funding for Local Governments to Update Zoning and Permitting Processes

To execute on the recommendations that come out of the housing barrier analysis, and guided by the tools that MDP develops, local jurisdictions will be funded to update their zoning documents and develop expedited permitting review processes for affordable housing development. This funding will be restricted to only those jurisdictions that are considered priority jurisdictions - the 7 counties and 63 municipalities identified as priority jurisdictions in Maryland by HUD. Census-designated places identified as priority geographies by HUD are not eligible to apply for funding, as these areas lack authority to implement regulatory reforms.

Funding will be offered competitively to jurisdictions planning to undertake reforms to their zoning policies, permitting processes and transit-oriented development planning initiatives. The funding awarded to jurisdictions will be dependent upon the need for the reforms, as demonstrated by the housing barriers analysis, and the scale of the reforms being undertaken. Furthermore, funding will be restricted to zoning updates that lead to a net upzoning, permitting reforms that focus on affordable housing developments, and transit-oriented development interventions focused on producing housing. Jurisdictions' applications to DHCD for funding will need to provide objective deliverables that they intend to undertake through their zoning and/or permitting reforms. To ensure that they meet these deliverables, we will use a performance-based contract, where reimbursements will be executed on an activity basis, as opposed to a time and expense basis. In other words, jurisdictions will only be reimbursed once they've demonstrated that they've completed the activity of either upzoning or creation of an expedited permitting process. Withholding reimbursement until activity completion ensures that the Department is not inadvertently funding a process that ultimately leads to downzoning or the addition of more barriers to the permitting process.

Given the breadth of different jurisdictions in this pool of priority jurisdictions, the makeup of the reforms undertaken will differ by jurisdiction. Some priority jurisdictions already have moved

their permitting processes to an online system. Many smaller rural jurisdictions, however, still use inherently slower and less transparent paper-based processes. Similarly, there are a variety of different stages of zoning reform being undertaken in the range of priority jurisdictions in Maryland. Some jurisdictions, such as Montgomery and Anne Arundel counties, have already proposed and are actively undertaking pro-housing zoning reforms. Under the framework envisioned by the present proposal, these jurisdictions may opt to undertake even more ambitious reforms and would therefore require funding to do so. Other jurisdictions may only be willing to make relatively small reforms. Due to these variations, flexibility will be required for allocating funding for efforts across the different jurisdictional contexts.

With a direct impact on where housing is built, how much housing is built, and how quickly it's built, these changes will also have the ultimate impact of meeting the national objective of benefitting low- and moderate-income persons. DHCD will prioritize funding for reform efforts that remove barriers to increasing housing density in areas that are highly resourced but that have few affordable housing opportunities.

As defined in the needs section, land use issues in Maryland are a key inhibitor to new housing development, in particular affordable housing. Creating more and better site selection options via zoning reforms and reducing permitting timelines can offset some of these increased costs and accelerate affordable housing construction.

Our proposal reflects an "opt in" strategy that creates tools and offers resources to priority areas through a targeted and data-driven approach. The opt-in approach will reduce the propensity for backlash and enable jurisdictions to either experiment with new incremental reforms or accelerate reform efforts that are already underway. Situating these tools and supports within the context of a broader statewide framework for affirmatively furthering fair housing further creates the objective benchmarks and sets normative expectations for the overall direction of housing policy in Maryland, thus creating a combination of carrots and sticks that provide political cover for local leaders to explore alternatives to the status quo.

To determine competitive award subgrants under Activity 4, DHCD will evaluate the following criteria:

- The likelihood that the local jurisdiction's proposed reforms will facilitate or expedite projects currently experiencing institutional delays or other barriers;
- The anticipated impact the local jurisdiction's proposed reforms will have on marginalized communities, particularly as related to expanding housing options and increasing affordability for members of those communities;
- The anticipated net number of housing units produced or preserved as a result of the proposed reforms;

- Whether the proposed reforms contain innovative elements that could potentially be used as a model for other jurisdictions;
- The local jurisdiction's acuteness of need for more affordable housing; and
- The alignment of the local jurisdiction's proposed reforms with the barriers to housing production identified by Activity 1.

Activity 5: Odenton Transit Oriented Development Model Planning

The first phase of MDOT's Penn Line redevelopment strategy will focus on stations between Baltimore and Washington, DC, while subsequent phases will focus on stations north of Baltimore. Odenton Station in Anne Arundel County has been selected as the first site for redevelopment. MDOT plans to release the RFQ for Joint Development for the Odenton TOD in October 2024. Current plans call for the redevelopment of 14 parcels within the .5 mile radius TOD zone around the station, including the conversion of three surface parking lots into structured parking. The conversion of surface parking into structured parking will free up approximately 27 acres for redevelopment activity, and the proposed plans include primarily mixed-use retail and housing. The proposal for Odenton calls specifically for the development of 932 new housing units (144 townhome units and 788 multifamily units).

DHCD and MDOT are in agreement that a significant percentage of the new multifamily units should be affordable housing, and the two agencies have recently executed an MOU to coordinate DHCD investments in MDOT's TOD Joint Development efforts. Specifically, DHCD has agreed to award incentive points via its LIHTC QAP for affordable housing projects within the Joint Development area as well as special consideration for State Revitalization Program funds to support pre-development and other eligible project costs.

Odenton Station is being characterized as a potential flagship TOD and a model for replication at other TOD sites along the Penn Line Corridor. Since these plans are actively underway and resources are beginning to be committed, our proposal envisions a noncompetitive grant to Anne Arundel County for planning to support the expansions of housing and retail called for in the Odenton Joint Development solicitation.

Specifically, Anne Arundel's recently-completed Master Plan identifies several core planning activities and actions that should be undertaken in order to support growth in general and TOD-related growth in particular. It is the hope of state and local agencies that the redevelopment activities envisioned for Odenton will catalyze additional housing development projects. Anne Arundel will need to accelerate a range of activities in the Master Plan to support increased use of Odenton Station, including planning for intermodal connectivity, transportation and utility infrastructure, market analyses, and upzoning of nearby parcels to support additional housing growth, especially affordable multifamily housing.

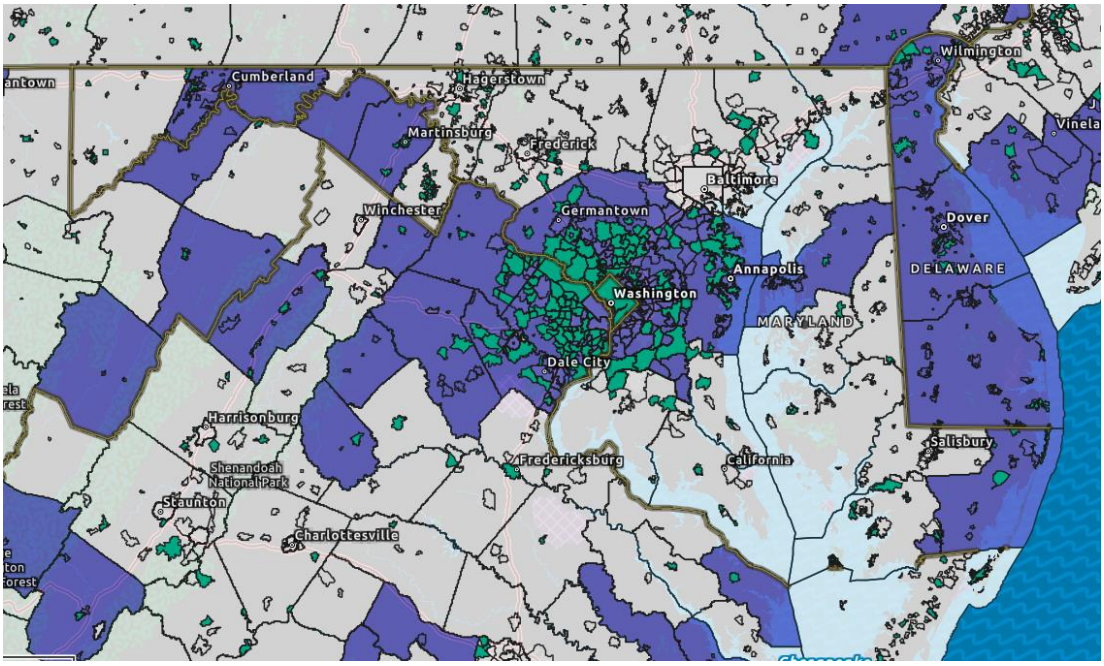
Activity 6: Statewide Housing Best Practices Convening

DHCD proposes to fund an annual statewide housing production best practices convening for county and municipal governments to create a venue for peer-to-peer information sharing and learning. County and municipal leaders have repeatedly emphasized a desire to learn about what housing production initiatives other jurisdictions across the state are implementing. This activity would fund an annual statewide convening for local government officials and other Maryland housing stakeholders to share information on how to best implement reforms to encourage housing production in their communities.

ii. What is your geographic scope?

As explained above, our proposal contains statewide components and local implementation components. The proposal is designed to maximize the benefit of the funding award to the entire state of Maryland by addressing barriers to housing statewide and providing the technical assistance to implement zoning reforms. At the same time, the majority of any awarded PRO Housing funds will be invested directly in the 7 counties and 63 municipalities defined as priority geographies by HUD (see Fig. 1 below).

Figure 1: Priority geographies in Maryland.



Source: HUD GIS Helpdesk

The priority geographies in Maryland range from the densely populated Washington, D.C. suburbs of Montgomery, Prince George's, Howard, and Anne Arundel counties to rural areas such as Allegany County in western Maryland and Queen Anne's and Worcester counties on the Eastern Shore. The 63 municipalities defined as priority geographies are largely concentrated within the

priority counties of the Washington, D.C. metropolitan area, but also include a diverse range of small-to-medium-sized municipalities across the state, from Frostburg in Allegany County, the far western part of the State, to Delmar and Princess Anne on the lower Eastern Shore. As discussed above, these jurisdictions will be the primary beneficiaries of our proposal: of the nearly $7 million in grant funding we are requesting, $5 million is delegated to Activities 4 and 5 in our proposal – the subgrants to local governments to undertake land use reforms – which are restricted to priority geographies.

Additionally, the state of Maryland as a whole is primarily composed of priority geographies. As demonstrated in the adjacent table, by 2020 Census numbers, over 55% of Maryland's population resides in a geography classified as a priority. Thus, our entire proposal, including Activities 1, 2, 3 and 6, which have a statewide focus, primarily serves priority geographies.

Breakdown of MD Population by HUD PRO Priority		
	Count	% of MD Population
Priority County Population	3,101,033	50.3%
Priority Place Population*	298,365	4.8%
Total Priority Population	**3,399,398**	**55.1%**
Total Non-Priority Pop.	2,765,262	44.9%
Total Maryland Population	6,164,660	100.0%
*Exclusive of places located in a priority county		

Our proposal will provide priority jurisdictions with the funding needed to study local barriers and impediments to affordable housing and amend local zoning codes and practices to remove or lessen the effects of those barriers. Ultimately, the intended end result is the construction of more affordable housing units in those jurisdictions, which, in tandem with the community engagement portion of our proposal, will expand opportunity for underserved communities, particularly in high-opportunity areas.

iii. Who are your key stakeholders? How are you engaging them?

Participation by local jurisdictions and other stakeholders, including members of the general public, has been crucial in shaping Maryland's housing priorities. Over the course of the last year, DHCD leadership has visited 16 out of Maryland's 24 counties. These engagements have included meetings with municipal leaders, county leaders, housing developers, direct service providers, and fair housing organizations. The concerns and conversations about needs in Maryland are reflected in the proposed activities.

To refine this proposal, DHCD has held meetings and discussions with representatives of several of the priority jurisdictions identified by HUD, other state agencies, and key institutions in Maryland focused on promoting equitable housing growth. Many of these organizations have attached letters of support to our application.

As a part of the housing barriers analysis, DHCD intends to continue these engagements with local governments and regional planning organizations. The results of the analysis will inform not just

the State's efforts more broadly, but also have the specific effect of informing our and other jurisdictions' plans.

DHCD has a long-standing practice of frequent citizen engagement in the implementation of new policies and programs utilizing federal funding. This engagement includes public hearings, comment periods, stakeholder interviews, and focus groups with individuals or organizations such as advocacy groups for the homeless, elderly, and people with disabilities, continuums of care, other state departments and agencies, public housing authorities, housing developers, banks and other lenders, members of the real estate industry, local jurisdictions, and the general public. DHCD will continue to meaningfully engage with these groups in a manner consistent with historical practices in the implementation of the proposed activities in this grant application.

In accordance with the regulations detailed in the Notice of Funding Opportunity for the Housing PRO grant, DHCD made its grant application available to the public for review and feedback for a fifteen day period beginning on Friday, September 27, 2024 and ending on Friday, October 11, 2024. A virtual public hearing was also held on October 8, 2024 to solicit citizen feedback and questions on the grant application. Citizens and stakeholders were made aware of the comment period and the public hearing through a press release and email notifications. A detailed public notice highlighting key components of the grant application was similarly published prominently on the homepage of DHCD's website with a link to view the draft grant application.

The virtual public hearing was attended by 21 members of the public and DHCD received six relevant comments from attendees. Outside of the public hearing, only one written comment was received regarding the application, from Dan Pontious of the Baltimore Metropolitan Council. A summary of the comments received has been included in Attachment A to this application and any feedback provided has been integrated into the grant application as appropriate.

iv. How does your proposal align with requirements to affirmatively further fair housing?

Maryland is one of the most racially diverse states in the nation. Its two largest individual priority jurisdictions, Montgomery and Prince George's counties, comprising about one-third of the state's population, are particularly diverse, as shown below (the more rural, lower-population priority counties of Allegany and Worcester, along with statewide census estimates, are also shown for reference/comparison).

County	Total Population (2023 Estimate)	% Black/African -American*	% Asian*	% Hispanic or Latino	% Other non-white or 2 or more races*
Montgomery	1,058,474	20.9	16.1	21.1	4.7
Prince George's	947,430	62.9	4.3	22.8	4.7
Allegany	67,273	7.9	1.2	2.1	3.0
Worcester	54,171	12.6	1.7	4.0	2.5
State of Maryland	6,180,253	31.6	7.1	12.6	4.2

* Not including Hispanic or Latino
Source: U.S. Census Bureau

DHCD has devoted significant efforts to affirmatively further fair housing in the state, including, at the request of the state legislature, commissioning a study in 2021 on racial disparities in Maryland's housing market. The findings of that study show major disparities in characteristics such as homeownership and housing cost burden, which this proposal is anticipated to help mitigate. For example, in 2020, 78.5% of White households in the state were homeowners, compared to only 52.6% of Black households and 55% of Hispanic/Latino households. These numbers stem from the state's legacy of redlining, racialized zoning, and restrictive covenants. Lower average incomes in Black and Hispanic communities also contribute to the "homeownership gap," as well as the racial disparity among housing-cost-burdened residents. Returning to the example of Montgomery County, a populous, highly diverse priority geography in the Washington, D.C. suburbs, a significant racial housing gap is apparent. While 35% of all county households are renters, 58% of Black households and 45% of Latino households in Montgomery County rent. Those groups are also significantly more likely to be rent-burdened than their white counterparts.

For priority geographies, our proposal offers funding for those jurisdictions to remove barriers to affordable housing by, for example, amending zoning codes with more inclusionary, less restrictive policies that encourage deconcentration of poverty and reducing *de facto* segregation. In order to qualify for funding, a jurisdiction must set forth a detailed plan of how it plans to achieve these goals. Reforming and streamlining the process for permitting, specifically for affordable housing, is another activity that would qualify local jurisdictions for funding under our proposal. As explained above, lengthy and complicated permitting processes in some jurisdictions across the state have posed a significant challenge to the construction of much-needed affordable housing. Helping local jurisdictions mitigate this barrier will contribute to affirmatively furthering fair housing by increasing affordable housing options in communities of opportunity.

As DHCD intends to restrict reimbursement to subgrantees for costs incurred reforming zoning and permitting practices until after they have undertaken those reforms, only activities that affirmatively further fair housing will be funded and reimbursed. The sub-granting agreement will clearly outline what actions the jurisdiction must take to receive reimbursement, mitigating the risk that jurisdictions will not undertake reforms if new hurdles to implementation occur.

Through the statewide housing barrier analysis and associated mapping, DHCD will create a longitudinal metric to measure progress on removing barriers to housing and their impact on desegregation and poverty deconcentration. DHCD will continue updating the mapping product after the grant period ends. This will require increased appropriations, but once the initial investment has been made, it will be easier to make the argument to fund an existing product as opposed to the development of a brand new one. In doing so, DHCD can track over time the impact of the zoning and permitting reforms on promoting desegregation and advancing racial equity.

This proposal is explicitly designed to address the unique housing needs and challenges of protected class groups within Maryland. An integral feature of DHCD's proposal is the development of a statewide analysis of barriers to housing which will provide data on the current housing needs of all Maryland residents with a particular emphasis on the conditions and availability of housing for persons with disabilities and persons living in racially segregated communities. As a result, the analysis will provide DHCD with an understanding of what regulatory reforms (e.g. zoning and permitting adjustments) will be necessary in the second phase of the proposal to improve the accessibility and availability of safe, decent and affordable housing for protected class groups. This information will also allow the State to achieve a goal outlined in the 'State Disabilities Plan' by identifying communities and jurisdictions that need 'clear and flexible' solutions to address the housing needs of disabled or impaired citizens.

While DHCD's proposal does not directly influence existing housing stock in the region, the department consistently evaluates the risk of displacement associated with any existing or proposed program it implements. The goal of the Department is to ensure that any program or project takes every preventable action to minimize the involuntary displacement of persons, or businesses, particularly among vulnerable or at-risk populations. Activity 3 in the proposal is aimed at this goal. The Community Engagement Strategic Plan and Toolkit will create a model for working directly with members of the community in priority geographies, gathering recommendations for approaches to empower those communities in decision-making.

Also, in general, DHCD will not participate in any project that results in the permanent displacement of more than 5% elderly or disabled residents or 10% of family residents dwelling on the site of a proposed project. Applicants for DHCD funding are required to demonstrate compliance with this standard as well as the conditions enumerated in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the Housing and Community Development Act of 1974. In the event of resident displacement, project developers are required

to provide adequate resident notice and compensation. If additional assistance is necessary for displaced residents, DHCD could supplement development compensation with funds from programs such as rapid rehousing, Housing Choice Voucher, or Section 811.

In response to HUD's recently proposed rulemaking, DHCD is preparing to create an equity plan that addresses topics such as demographics, segregation and integration, racially or ethnically concentrated areas of poverty, access to community assets, access to affordable housing opportunities, access to homeownership and economic opportunity, and policies and practices impacting fair housing. It is anticipated that this equity plan will be developed in the next year and its contents will inform the future implementation of any federally-funded programs.

DHCD also has a long-standing commitment to engaging and supporting minority-, women-, and veteran-owned businesses in any program or policy implementation. Any contracts or procurement under the department seek good faith efforts to solicit historically underrepresented industries and businesses particularly minority- and women-owned businesses including soliciting through all reasonable and available means the interest of potential MBE/MWE businesses, designating specific portions of work to be performed only by MBE/MWE, provide interested businesses with adequate information about plans, and not rejecting MBE/MWE as being unqualified without sound reason. These efforts have been targeted to meet the department's goal of 29% participation of MBE/MWE businesses on all applicable DHCD-funded projects.

v. What are your budget and timeline proposals?

Budget:

	Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Total**
Dates	2/10/25 - 9/30/25	10/1/25 - 9/30/26	10/1/26 - 9/30/27	10/1/27 - 9/30/28	10/1/28 - 9/30/29	10/1/29 - 9/30/30	
Personnel	$ -	$ -	$ 76,408	$ 79,770	$ 83,280	$ 86,944	***$ 326,402***
Fringe Benefits	$ -	$ -	$ 36,725	$ 38,388	$ 41,131	$ 43,214	***$ 159,458***
Travel	$ -	$ -	$ -	$ -	$ -	$ -	***$ -***
Equipment	$ -	$ -	$ 6,614	$ -	$ -	$ -	***$ 6,614***
Supplies and Materials	$ -	$ -	$ 811	$ 1,092	$ 1,103	$ 1,114	***$ 4,120***
Consultants (Total)	$ -	$ -	$ -	$ -	$ -	$ -	***$ -***
Contracts and Sub-Grantees (Total)	$ 150,000	$ 550,000	$ 1,450,000	$ 1,290,000	$ 1,290,000	$ 1,290,000	**$ 6,020,000**
---Housing Barriers Analysis		*$ 75,000*	*$ 25,000*	*$ 25,000*	*$ 25,000*	*$ 25,000*	***$ 175,000***
---Community Engagement Toolkit	*$ 150,000*	*$ 50,000*					***$ 200,000***
---Statewide Housing Convening		*$ 15,000*	*$ 15,000*	*$ 15,000*	*$ 15,000*	*$ 15,000*	***$ 75,000***
---Maryland Department of Planning	*$ -*	*$ 160,000*	*$ 160,000*	*$ -*	*$ -*	*$ -*	***$ 320,000***
---Odenton TOD Planning Subgrant		*$ 250,000*					***$ 250,000***
---Local Government Competitive Subgrant	*$ -*	*$ -*	*$ 1,250,000*	*$ 1,250,000*	*$ 1,250,000*	*$ 1,250,000*	***$ 5,000,000***
Construction	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Other Direct Costs	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Indirect Costs (87.81% of Salaries & Fringe)	$ -	$ -	$ 99,342	$ 103,755	$ 109,245	$ 114,292	**$ 426,634**
Total	**$ 150,000**	**$ 550,000**	**$ 1,669,900**	**$ 1,513,005**	**$ 1,524,759**	**$ 1,535,564**	**$ 6,943,228**

Personnel
DHCD is requesting one Project Manager position to administer the subgrants to local jurisdictions. As the grants to local jurisdictions begin in year three, the Project Manager position will also start in year three. This position will also have the responsibility of taking over the general grant management of the PRO Housing grant. The total cost over four years for this position is $326,402.

Fringe Benefits
The fringe benefits included are to support the Project Manager position. They include FICA, retirement contributions, and health insurance. The total cost over four years for this position's fringe is $159,458.

Travel
DHCD is not requesting any travel funds.

Equipment
Funds are included to cover the initial, basic equipment costs for the Project Manager position, inclusive of a computer, monitors, computer accessories, phones, and iPad. This is a one-time cost of $6,614. This is the standard cost that the MD Department of Budget and Management calculates as the average cost of equipment needed to support a position across departments.

Supplies and Materials
DHCD is requesting $4,120 in standard annual supplies and materials costs for the hired employee.

Consultants
DHCD is not requesting any funding for consultants.

Contracts and Sub-Grantees
DHCD is requesting funding for a third-party entity to undertake the housing barriers analysis outlined in activity one. This entity would be responsible for conducting data analysis, engagement with the Department and members of the broader housing community, and, in coordination with both DHCD and MDP, the development of the publicly-available mapping product. The estimated cost of the consultant is based off of the recently completed *Maryland Housing Needs Assessment & 10-Year Strategic Plan*. The work involved in developing that plan is very similar to what is being proposed here. After the completion of the initial analysis in years 2 and 3, costing $75,000, $25,000 in additional funds are budgeted for each of the out years to cover annual updates to the underlying data and associated mapping product.

	Year 2	Year 3	Total
Dates	10/1/25 - 9/30/26	10/1/26 - 9/30/27	
Personnel			**$ -**
Fringe Benefits			**$ -**
Travel	$ 9,000	$ 9,000	**$ 18,000**
Equipment	$ -	$ -	**$ -**
Supplies and Materials	$ 1,000	$ 1,000	**$ 2,000**
Consultants (Total)	$ 150,000	$ 150,000	**$ 300,000**
---Fair Housing Analysis	*$ 150,000*	*$ 150,000*	***$ 300,000***
Contracts and Sub-Grantees	$ -	$ -	**$ -**
Construction	$ -	$ -	**$ -**
Other Direct Costs	$ -	$ -	**$ -**
Indirect Costs (Not Requested	$ -	$ -	**$ -**
Total	**$ 160,000**	**$ 160,000**	**$ 320,000**

We are also providing funding to MDP to undertake Activity 2. Existing MDP staff are expected to meet with local government partners throughout the state and therefore MDP is requesting a total of $18,000 for travel. $2,000 is being requested for supplies and materials to support this project. Additionally, MDP is requesting $300,000 in funding for a consultant to assist in developing its suite of model ordinances. In addition to model ordinance development, the consultant will be required to engage with MDP staff, as well as any DHCD vendor or staff, throughout the two years of the contract. The vendor shall create five Maryland specific model ordinances that are informed by, reference, and build upon the analysis and mapping tool.

In years 2-3, DHCD is requesting $200,000 to develop a community engagement plan and toolkit to provide staff and partners with a clear and consistent method for engaging communities, including specific stakeholders and steps, in different situations and project types. DHCD anticipates contracting to complete this toolkit, and this estimated cost is based on similar recent procurements the Department has undertaken.

In years 3-6, DHCD is requesting $1.25 million a year in funding to make subgrants to local governments to reform their land use documents and permitting processes. Given the variable nature of the reforms that jurisdictions are likely to undertake, we expect a wide range in award amounts. To ensure a broad number of jurisdictions are served, we will cap awards at $500,000 for counties and $250,000 for municipalities. Assuming that all 7 priority counties apply for funding and receive the maximum, that would still enable 18 municipalities to receive the maximum award. Our intent, however, is not to award all jurisdictions the maximum funding available. Therefore, we expect the total number of municipalities served to be more than 18.

In year 2, DHCD is requesting $250,000 for a non-competitive subgrant to Anne Arundel County to undertake TOD-supported growth. This estimate is based on the cost of prior recent planning activities undertaken by the County.

Finally, in years 2-6, DHCD is requesting $15,000 per year to host a statewide housing best practices convening. This cost is anticipated to be supplemented by sponsorships and event registration fees to cover the expenses of renting a venue and marketing materials. This cost estimate is based on the state contribution to host the recent statewide Main Street Maryland conference convened by the Department.

Construction
DHCD is not requesting any construction funds.

Other Direct Costs
DHCD is not requesting any other direct costs.

Indirect Costs
Per DHCD's negotiated indirect cost rate agreement (NICRA), DHCD is charging an 87.81% indirect cost rate on total salaries and fringe benefits. Therefore indirect costs are only accrued in years 3-6 when DHCD is requesting funds to support a new position. The total indirect costs are $426,634.

Impact of a Reduction in Budget
With over 70% of our award request concentrated in Activity 4, the subgrants to local governments, a reduction in our budget would primarily reduce the money available for implementation. In addition to reducing the money available to subgrant out, DHCD would also reduce the full-time equivalency of the requested position to manage those subgrants. While managing this activity couldn't be completely subsumed into existing staff functions, with a smaller pool of funding to manage, the level of effort associated with the activity would be reduced. A reduction in the budget available for Activity 4 would correspond to a more competitive subgranting application process to priority jurisdictions.

The minimum funding amount to carry out this proposal would be approximately $1 million to fund Activities 1, 2, 3 and 6. These activities are what will drive the conversation on land use reform in Maryland. If funded, DHCD can collaborate with jurisdictions to reform their land use controls through the objective results of these analyses. Additionally, Activity 2 would still be providing jurisdictions with a "solution" to their restrictive zoning codes in the form of model ordinances and technical assistance, they just wouldn't be receiving funding to execute on those changes. Activity 6 would create a venue for jurisdictions to share existing best practices and collaborate on implementation challenges. Furthermore, updates to zoning codes, comprehensive

plans, and adequate public facility ordinances are natural occurrences and in the case of comprehensive plans, must be updated every 10 years under state law. When those updates are slated to occur naturally, the results of the statewide housing analysis can inform what updates should occur in that jurisdiction, pulling from the model ordinances and technical assistance provided by MDP. Notably, given that a majority of Maryland's population resides in priority geographies, these two activities would still primarily serve priority geographies. If requested, MDP could also restrict their technical assistance activities just to priority counties and municipalities.

The intent of Activity 4 is to incentivize and speed up those changes. Eliminating funding for Activity 4 would not prevent jurisdictions from undertaking pro-housing zoning reforms, it would just potentially limit the number of jurisdictions who do and increase the time horizon of those reforms. Having the housing barriers analysis completed, however, will demonstrate to jurisdictions that are already interested in zoning reforms what precisely they need to change and how to do so. Therefore, we believe we could still achieve the broad objectives of this grant with only a $1 million award, it just may have a more muted impact and take additional time. Notably, the leverage that we've allocated for this project is concentrated in Activities 1, 2, and 3. In the event of an award of only $1 million, our leverage would be over 100% of the grant award.

Timeline	Start Date	End Date
Activity 1 - Barriers Analysis		
-Contracting Processes	2/10/2025	3/31/2025
-Barriers Analysis	4/1/2025	12/31/2025
-Barriers Mapping	1/1/2026	9/30/2026
Activity 2 - Model Ordinance and Technical Assistance		
-Model Ordinance Development	10/1/2025	9/30/2026
-Technical Assistance to Local Governments	10/1/2026	9/30/2030
Activity 3 - Community Engagement Toolkit		
- Contracting process	2/10/2025	9/30/2025
- Development of toolkit	10/1/2025	9/30/2027
Activity 4 (Local Subgrants)		
-Issue First RfP for Subgrants	6/1/2026	N/A
-Award First Round of Funds	10/1/2026	N/A
-First Awardees Expend Funds	10/1/2026	9/30/2027
-Issue Second RfP for Subgrants	6/1/2027	N/A
-Award Second Round of Funds	10/1/2027	N/A
-Second Awardees Expend Funds	10/1/2027	9/29/2028
-Issue Third RfP for Subgrants	5/31/2028	N/A
-Award Third Round of Funds	9/30/2028	N/A
-Third Awardees Expend Funds	9/30/2028	9/29/2029
-Issue Fourth RfP for Subgrants	5/31/2029	N/A
-Award Fourth Round of Funds	9/30/2029	N/A
-Fourth Awardees Expend Funds	9/30/2029	9/29/2030
Activity 5 - Odenton TOD		
-Award of Subgrant to Anne Arundel County	10/1/2025	N/A
-Anne Arundel Expends Funds	10/1/2025	9/30/2026
Activity 6 - Annual Stakeholder Convening		
- Host first annual statewide housing convening	11/1/2025	
- Host subsequent annual statewide convenings	11/1/2026	11/1/2029

Exhibit E: Capacity

Maryland Department of Housing and Community Development

i. What capacity do you and your Partner(s) have? What is your staffing plan?

The Maryland Department of Housing and Community Development (DHCD) has extensive experience managing federal grants, distributing subgrants to local jurisdictions, and generally managing substantial funds. DHCD is an expansive agency that covers a variety of different activities. DHCD's budget for FY2024 is over $845 million, $500 million of which is in direct federal funds. On top of its annual appropriation, DHCD currently actively manages $5.1 billion in loans, grants, and tax credits. DHCD has a staff of approximately 450.

As this proposal includes multiple activities spread across three agencies, the overall project will be led by the Division of Policy, Strategy, and Research (DPSR). As a division with a purview encompassing the entire Department, DPSR is best suited to manage the strategic direction of the grant. Staff members of DPSR have combined decades of experience managing grants, both federal and non-federal, and complex projects. Additionally, the main analytic activity of the grant will be handled by DPSR.

Activity 1: Statewide Analysis to Development Barriers

Activity 1, the statewide housing barriers analysis, will be managed by the Office of Research and Compliance (ORC) in DPSR. ORC supports DHCD's mission by providing timely and accurate analysis of housing industry and community development issues. To achieve its mission, the Office develops and maintains state-of-the-art database applications with broad programmatic datasets as well as indices used for analysis for the Governor's Office, Office of the Secretary, academia and to external stakeholders at-large. ORC is involved in all aspects of reporting requirements from data collection to calculating economic indices, economic impact analysis, survey design and application as well as the preparation and management of the Maryland Consolidated Plan, Annual Action Plan, Consolidated Annual Performance and Evaluation Report and Department's annual Managing for Results document. The Office also reviews and prepares Certifications of Consistency for local governments and nonprofits when they apply for HUD funds and manages Project/Work Contracts between DHCD and external Consultants/Contractors.

This Office has managed numerous research projects and analyses, including the recent *Maryland Housing Needs Assessment & 10-Year Strategic Plan*, which was a multi-year effort involving feedback from community partners throughout the state. The proposed housing barriers analysis will be similar in scope and the level of effort devoted to the project. Existing staff will coordinate with the hired consultant to execute this activity.

Activity 2: Model Ordinance Development and Intensive Technical Assistance

Activity 2, the development of zoning model ordinances and the provision of technical assistance, will be undertaken by the Maryland Department of Planning (MDP). With a staff of roughly 140, MDP has an annual budget of $50 million, $1.3 million of which is in federal funds. MDP is also broken down into two programmatic divisions: the Division of Historical and Cultural Programs

and the Planning Services Division. The latter of those two divisions will be responsible for executing this activity. Among the division's many activities, it includes MDP's local assistance, education, and training programming. Through these activities, MDP provides direct planning assistance to rural jurisdictions in Maryland. These smaller jurisdictions rely extensively on MDP's expertise for their planning and land use needs. The Planning Services Division also provides guidance to all jurisdictions on state requirements, such as the implementation of HB90, Maryland's fair housing land use law, discussed previously.

Although our program is dependent upon MDP to execute this activity, we do not foresee or expect MDP to drop out of this program. Providing technical assistance and guidance to local jurisdictions is a core function of MDP. They already provide this service to local jurisdictions, but lack the capacity to provide more detailed technical assistance. MDP's Regional Housing Planner will support those activities. In year 1 of the grant, this position will aid DHCD's outreach and stakeholder engagement efforts in support of the statewide barrier analysis. In this role, the position will also communicate and enhance MDP's still developing guidance for counties and municipalities that must include an analysis of fair housing in their comprehensive plans, as required in Maryland law. The zoning reform resources to be developed with this grant shall be informed by Maryland's comprehensive planning requirements, and the Regional Planner will be responsible for establishing and building upon that connection. This position will also support the Local Assistance and Training Manager's (LAT Manager) management of the model ordinance vendor (described below). The Regional Planner will also coordinate the work of the vendor and the DHCD/MDP development of the zoning restrictiveness mapping tool with the statewide analysis of impediments to ensure that the products to be developed in year 2 of the grant period align and support one another.

In year 2 of the grant, this position will work closely with the vendor and LAT Manager to complete a suite of model ordinances. These ordinances shall be informed by the statewide analysis of impediments and zoning restrictiveness mapping tool. The Regional Planner will continue its coordination with DHCD and provide feedback on DHCD grant deliverables as needed. During year two, the Regional Planner will also support DHCD's development of grant funding and craft outreach and communication materials, as well as a delivery work plan, for grant developed resources.

MDP will also use the services of a contracted vendor to develop a suite of model ordinances that Maryland jurisdictions can use to help increase the supply and accessibility of affordable and fair housing. The vendor will also be required to engage with the Regional Planner, Local Assistance and Training Manager, and other MDP staff, as well as any DHCD vendor or staff, throughout the two years of the contract. This will include all efforts in support of the statewide analysis of impediments and development of the zoning restrictiveness mapping tool. The vendor shall create

five Maryland specific model ordinances that are informed by, reference, and build upon the analysis and mapping tool.

Activity 3: Community Engagement Strategic Plan and Toolkit
The DHCD Division of Just Communities will undertake the contracting and planning for the community engagement strategic plan and toolkit. The Division of Just Communities is experienced in producing for and leading agency-wide strategic planning processes, and have recently completed comparable projects. A meaningful portion of staff time in this division, including 20% of the time of the Assistant Secretary of Just Communities and the Director of Just Communities, will be committed to developing and implementing this tool.

Activity 4: Funding for Local Governments to Update Zoning and Permitting Processes
Activity 4, subgrants to local governments for zoning and permitting reform, will be overseen by the Office of Community Development Programs within NR. This office will also be responsible for general grant management of the project. To support the management of this grant and the subgranting specifically, we are requesting funding through this grant for one project manager position. This office is uniquely suited to manage this grant, as they have been administering federal Community Development Block Grant funds since the State's program began in 1987. Since that time, staff have also administered other HUD grants including the Neighborhood Stabilization Program, CDBG COVID Program and the CDBG Disaster Program. In total, DHCD has awarded and managed over $400 million of HUD funds from these programs.

Between them, our staff of eight has over 80 years of CDBG experience. Staff function as both project managers and compliance specialists. The programs distribute federal funds to subgrantees for eligible activities. Our staff works with the subgrantees to manage their grants and to comply with all applicable federal and state policies and regulations. Staff are trained in all aspects of grants management and compliance. Additionally, the CDBG team serves as the State Basic Agency for the Appalachian Regional Commission, which adheres to almost all of the same federal regulations
and requirements as HUD programs.

The HUD Baltimore Field Office can confirm that DHCD is quite diligent in their administration of federal funds. HUD has monitored DHCD over the years and issued very few findings or concerns. HUD staff have regularly praised CDBG staff for their management and
dedication to ensuring compliance with program requirements.

Since land use authority is delegated to local governments in Maryland, this component does require their commitment to undertake land use reforms. Many local governments have already demonstrated their interest and commitment to undertaking pro-housing zoning reforms, but lack the resources to execute on those goals. The intent of the subgrants to local governments is to both

fill this resource gap and incentivize reforms in governments that may not otherwise undertake them without this funding. Offering jurisdictions direct funding enables them to self-identify what their needs are and ultimately "own" the process. Furthermore, by relying on the statewide analysis, jurisdictions can point to objective metrics that indicate the need for reforms, thereby providing some political cover.

Activity 5: Odenton Transit Oriented Development Model Planning
The Division of Policy, Strategy and Research will help coordinate the implementation of this sub-grant with Anne Arundel County and the Maryland Department of Transportation, and the Division of Neighborhood Revitalization will manage compliance requirements for the sub-grant. DHCD has awarded and managed over $400 million of HUD funds to sub-recipients.

Activity 6: Statewide Housing Best Practices Convening
The Division of Policy, Strategy and Research will facilitate the Statewide Housing Best Practices Convening. DHCD has experience with organizing statewide conferences, including the October 2024 Main Street Maryland Conference that had 300 attendees from community development organizations across the state.

Staffing
The allocated staffing for this project, broken down by activity is as follows:

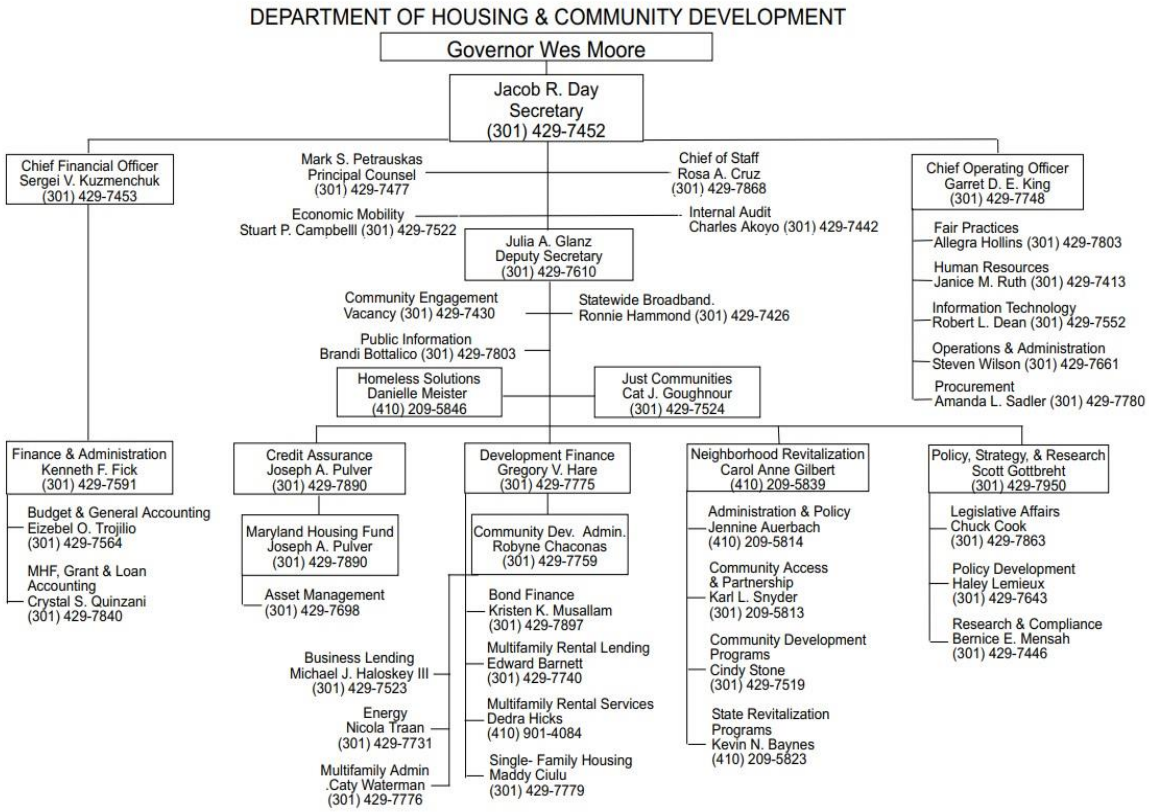
Activity #1, 5 and 6 (DHCD Staff: Division of Policy, Strategy and Research)
- Years 2-6: 7.5% FTE Senior Federal Compliance Analyst (Leveraged)
- Years 1-6: 3.75% FTE Director of the Office of Policy Development (Leveraged)
- Years 2-6: 3.75% FTE Resource Development Program Manager (Leveraged)
- Years 1-6: 3.75% FTE Assistant Secretary of Policy, Strategy and Research (Leveraged)
- Years 1-6: 5% FTE Senior Policy Analyst (Leveraged)

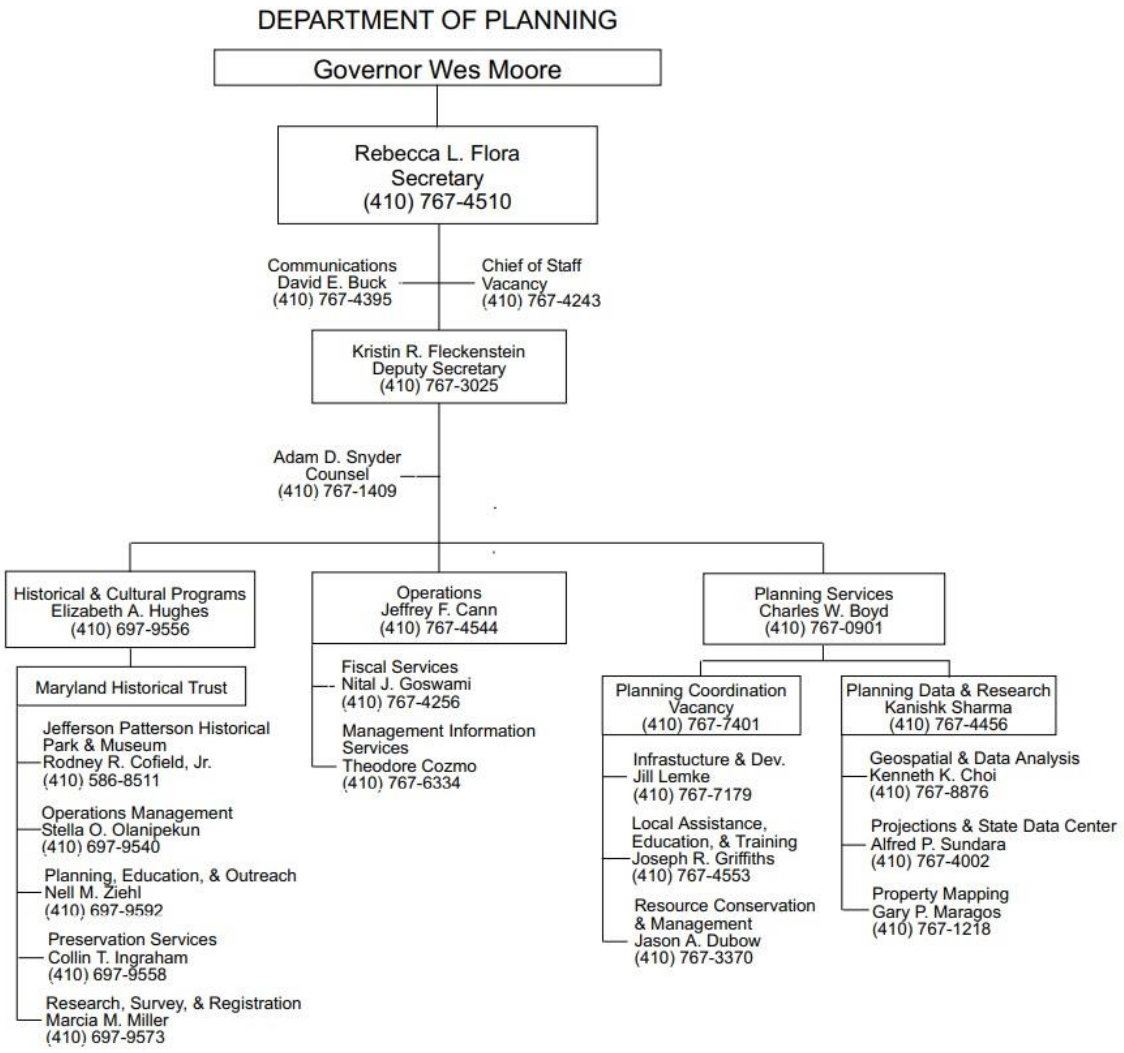
Activity #2 (MDP Staff)
- Years 2-6 - 16% FTE Local Assistance and Training Manager (Leveraged)
- Years 2-6 - 5% FTE Regional Planner Supervisor (Leveraged)
- Years 2-6 - 14% FTE Housing Lead, Regional Planner (Leveraged)
- Years 2-6 - 5% FTE Geospatial Data and Analysis Planner Supervisor (Leveraged)
- Years 2-6 - 9% FTE Director of Regional Best Practices (Leveraged)
- Years 2-6 - 1% FTE Assistant Secretary of Planning Services (Leveraged)
- Years 4-6 - 5% FTE Four Regional Planners (Leveraged)

Activity #3 (DHCD Staff: Division of Just Communities)
- Years 1-6 - 20% FTE Assistant Secretary of Just Communities (Leveraged)
- Years 1-6 - 20% FTE Director of Just Communities (Leveraged)

Activity #4 (DHCD Staff: Division of Neighborhood Revitalization)
Years 3-6 - 100% FTE Project Manager (Grant-Funded)

Organization Chart





The grant was co-written by four staff members from DPSR. The grant writing team consisted of: Scott Gottbreht, Assistant Secretary for Policy, Strategy, and Research; Haley Lemieux, Director the Office of Policy Development; Jordan Gilmore, Senior Policy Analyst; and Lauren Metz, Senior Federal Compliance Analyst.

Exhibit F: Leverage

Maryland Department of Housing and Community Development

i. Are you leveraging other funding or non-financial contributions?

Both DHCD and MDP intend on using existing staff members to carry out many of the grant activities outlined in this application. These two departments will leverage a total of $1,576,540 in staff time and associated costs devoted to this project. This proposed leverage staff time and associated indirect costs amounts to 22.7% of the requested grant award. . The leveraged staff time is broken down as follows:

DHCD Leverage Contribution:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Dates	2/10/25 - 9/30/25	10/1/25 - 9/30/26	10/1/26 - 9/30/27	10/1/27 - 9/30/28	10/1/28 - 9/30/29	10/1/29 - 9/30/30	
Personnel	$ 44,774	$ 84,512	$ 101,414	$ 121,697	$ 146,036	$ 175,244	**$ 673,678**
Senior Federal Compliance Analyst (7.5% Avg FTE)	*$ -*	*$ 7,080*	*$ 8,496*	*$ 10,195*	*$ 12,234*	*$ 14,681*	***$ 52,687***
Director of Policy Development (3.75% Avg FTE)	*$ 2,717*	*$ 4,529*	*$ 5,434*	*$ 6,521*	*$ 7,826*	*$ 9,391*	***$ 36,418***
Assistant Secretary of Policy, Strategy and Research (3.75% FTE)	*$ 3,814*	*$ 6,357*	*$ 7,628*	*$ 9,153*	*$ 10,984*	*$ 13,181*	***$ 51,117***
Resource Development Program Manager (3.75% FTE)	*$ -*	*$ 2,808*	*$ 3,370*	*$ 4,044*	*$ 4,852*	*$ 5,823*	***$ 20,896***
Senior Policy Analyst (5% FTE)	*$ 3,008*	*$ 5,014*	*$ 6,017*	*$ 7,220*	*$ 8,664*	*$ 10,397*	***$ 40,321***
Assistant Secretary of Just Communities (20% FTE)	*$ 21,435*	*$ 35,725*	*$ 42,870*	*$ 51,443*	*$ 61,732*	*$ 74,079*	***$ 287,283***
Director of Just Communities (20% FTE)	*$ 13,800*	*$ 23,000*	*$ 27,600*	*$ 33,120*	*$ 39,744*	*$ 47,693*	***$ 184,957***
Fringe Benefits	$ 5,821	$ 10,987	$ 13,184	$ 15,821	$ 18,985	$ 22,782	**$ 87,578**
Travel	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Equipment	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Supplies and Materials	$ 199	$ 268	$ 109	$ 109	$ 110	$ 112	**$ 907**
Consultants	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Contracts and Sub-Grantees	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Construction	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Other Direct Costs	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Indirect Costs (87.81% of Salaries & Fringe)	$ 44,427	$ 83,857	$ 100,629	$ 120,754	$ 144,905	$ 173,886	**$ 668,459**
Total	**$ 95,221**	**$ 179,624**	**$ 215,336**	**$ 258,381**	**$ 310,036**	**$ 372,024**	**$ 1,430,621**

DHCD's leverage is to support Activity 1, the housing barriers analysis and development of the associated mapping product, and Activity 3, the development of a community engagement strategic plan and toolkit.

MDP Leverage Contribution:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Dates	2/10/25 - 9/30/25	10/1/25 - 9/30/26	10/1/26 - 9/30/27	10/1/27 - 9/30/28	10/1/28 - 9/30/29	10/1/29 - 9/30/30	
Personnel		$ 36,059	$ 32,654	$ 25,131	$ 25,131	$ 25,131	**$ 144,105**
Director, Planning Best Practices		*$ 10,169*	*$ 11,641*	*$ 5,821*	*$ 5,821*	*$ 5,821*	***$ 39,272***
Regional Planner Supervisor		*$ 4,793*	*$ 2,396*	*$ 2,396*	*$ 2,396*	*$ 2,396*	***$ 14,378***
Housing Lead, Regional Planner		*$ 14,378*	*$ 14,378*	*$ 9,585*	*$ 9,585*	*$ 9,585*	***$ 57,512***
Geospatial Data and Analysis Planner Supervisor		*$ 4,962*	*$ 2,481*	*$ 1,240*	*$ 1,240*	*$ 1,240*	***$ 11,164***
Assistant Secretary of Planning Services		*$ 1,758*	*$ 1,758*	*$ 1,758*	*$ 1,758*	*$ 1,758*	***$ 8,790***
Four Regional Planners		*$-*	*$-*	*$ 4,330*	*$ 4,330*	*$ 4,330*	***$ 12,990***
Fringe Benefits (Excluded from Final Leverage)		*$ 18,390*	*$ 16,654*	*$ 12,816*	*$ 12,816*	*$ 12,816*	***$ -***
Equipment	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Supplies and Materials	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Consultants	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Contracts and Sub-Grantees	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Construction	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Other Direct Costs	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Indirect Costs (10% MTDC divided by 12)	$ -	$ 454	$ 411	$ 316	$ 316	$ 316	**$ 1,813**
Total (Exclusive of Fringe	**$ -**	**$ 36,513**	**$ 33,065**	**$ 25,447**	**$ 25,447**	**$ 25,447**	**$ 145,918**

Fringe benefits and travel are shown exclusively for calculating MTDC and are not included in the final leverage amount

MDP's leverage is primarily to support Activity 2, the development of model ordinances and technical assistance to local governments. A smaller portion of the leverage will also support DHCD in executing Activity 1.

In addition to staff time and associated costs, the Maryland Department of Transportation (MDOT) has identified land owned by the agency around the Odenton Train Station as leverage for Activity

5, Odenton Transit Oriented Development Model Planning. MDOT has committed to the use of this land to further the joint redevelopment efforts at Odenton Station and create a model TOD planning effort to replicate across the state. This may include the discounting of the land, appraised at $7,725,000, to a price of $0.

Exhibit G: Long-Term Effect

Maryland Department of Housing and Community Development

i. What permanent, long-term effects will your proposal have? What outcomes do you expect?

Upon the completion of grant-funded activities, the State of Maryland will have produced an up-to-date statewide analysis of barriers to housing production, developed a series of pro-housing model ordinances and zoning code changes, boosted community engagement efforts with underserved communities, provided technical assistance to jurisdictions across the state to implement ordinance updates, and deployed $5 million in funds for regulatory reforms at the local level. In the long term, these achievements are anticipated to increase affordable housing production in communities of opportunity through two mechanisms. First, the State will be able to enhance its commitment to investing in affordable housing in areas of opportunity through improved targeting. Second, this proposal will fund the removal of local barriers preventing the development of multi-family and affordable housing in communities of opportunity. Beyond the implementation period of the grant, this proposal is anticipated to facilitate additional data-driven action at the state and local level.

This proposal mitigates potential roadblocks to the implementation of a PRO Housing award

Maryland DHCD's proposal has been carefully designed to mitigate roadblocks to the deployment and implementation of a PRO Housing award. If awarded, DHCD will implement a data-driven analysis, match jurisdictions to optimal interventions, and directly provide the technical assistance and funding for local jurisdictions to implement regulatory reforms. Since local jurisdictions will choose the reforms they wish to undertake, the risk that the use of awarded PRO Housing resources would be stalled by political processes is mitigated. As a whole, the scope of this proposal addresses the key remaining barriers that were identified in the needs section of this application.

The approach of this application is anticipated to maximize the impact of the PRO Housing application statewide, with a particular focus in the HUD-identified priority geographies. However, the $5 million identified in the award budget for a pool of local funding to undertake regulatory reform is not anticipated to meet the full local budgetary need to implement reforms statewide. The statewide mapping component of our proposal will counteract this limitation by creating a clear blueprint for statewide action on data-driven and targeted regulatory reform. Additionally, the competitive sub-granting of federal funding in priority jurisdictions is anticipated to serve as a compelling test case for the potential commitment of state appropriations to continue to increase local capacity to undertake regulatory reforms in line with the key needs identified in the statewide blueprint.

The proposal is sensitive to housing location factors

One of the key advantages of Maryland DHCD's proposal is that any implementation activities undertaken using this grant funding will be competitively sub-granted to local jurisdictions based on the statewide analysis demonstrating a pressing need for a reform and based on the scale of the proposed reform.

Specifically, including an analysis of communities of opportunity at the census-tract level will identify areas in Maryland where there are meaningful employment opportunities, high-quality education opportunities, and high composite community health. Prioritizing reform efforts statewide to increase allowable residential density in areas of opportunity, both through the technical assistance provided by the Maryland Department of Planning and through the evaluation of local applications for the competitive funding pool, will enable the production and preservation of affordable housing near amenities, public services, jobs, transit, schools, and other important community assets and locations.

The proposal provides a blueprint for all local Maryland communities

Our proposal was deliberately designed to create tools, resources and models for all jurisdictions across the state. As outlined above, the statewide housing barriers analysis will be available for use by local governments, academic researchers, or any other organization. This will allow local jurisdictions to adapt the analysis to their needs, build on the analysis, or otherwise use key data on fair housing across the state to advance their own goals. Likewise, the model pro-housing ordinances and zoning code changes developed by MDP, along with the Community Engagement Strategic Plan and Toolkit, will be posted publicly, providing a reference for jurisdictions in Maryland and across the U.S.

A successful implementation of this proposal will result in the increase in the supply of housing and a reduction in zoning restrictiveness across the State of Maryland

A key benefit of our proposal is that data evaluation and tracking are included in the statewide housing barriers analysis activity. This tool is anticipated to be maintained over time to generate a longitudinal dataset and enable analysis of the impacts of regulatory reforms in Maryland.

DHCD is not proposing specific target outcomes in this proposal. As discussed in the Soundness of Approach section, there is limited long-term data on the impact of outcomes from regulatory reforms. However, the empirical evidence on the status quo is clear: there is a relationship between restrictive land use policies and the concentration of income and racial demographic characteristics. By systematically excluding lower-cost housing types from certain neighborhoods, jurisdictions make it more challenging for low-income households to live, work, and thrive in those communities. To address this, our proposal prioritizes sub-granting to local implementation activities that will increase access to well-resourced neighborhoods of opportunity for protected class groups. Pairing a data-driven targeting strategy with investment to implement reforms at the local level is anticipated to remove key regulatory barriers to housing production, expanding access to housing opportunities for low-income households in the long term.