



House Bill 107

*Department of Housing and Community Development –
Funding for Newly Constructed Single-Family Homes*

MACo Position: **SUPPORT**

To: Environment and Transportation Committee

WITH AMENDMENTS

Date: January 31, 2017

From: Leslie Knapp, Jr. & Natasha Mehu

The Maryland Association of Counties (MACo) **SUPPORTS** HB 107 **WITH AMENDMENTS**. The bill addresses the critical issue of providing workforce and low-income housing in rural areas without public water, while still ensuring such housing has sprinkler systems.

HB 107 provides that the Department of Housing and Community Development (DHCD) may provide funding assistance through either its Community Development Administration or Down Payment and Settlement Expense Loan Program for a growth-related project not in a Priority Funding Area for the construction or purchase of a newly constructed single-family home or the purchase of a loan for a newly-constructed single-family home if DHCD determines that the cost of compliance with building and fire codes makes it difficult for a low- or moderate-income family to purchase a newly constructed single-family home.

Since the passage of the sprinkler system mandate in 2012 (HB 366/SB 602), rural areas have witnessed a dramatic reduction in building permits for moderate- and low-income housing. Sprinkler systems not on public water can require high pressure pumps and water storage tanks that may add \$10,000 to \$12,000 to the cost of a new home – a significant cost in a rural area for a home designed for a moderate- to low-income family. HB 107 would help address this issue by providing a limited funding mechanism to offset costly sprinkler and similar building code mandates.

The bill does not create new housing rights or remove existing land use prohibitions on “sprawl” development. MACo also does not believe the bill is intended to override local zoning or a county’s long-range comprehensive plan, but is proposing one amendment to ensure that DHCD consults with, and if necessary, modifies its funding program scope and criteria, prior to beginning activities within each county.

With the proposed amendment, HB 107 addresses the cost issue of providing sprinkler systems in workforce- and low-income housing in rural areas while not contravening county comprehensive planning or the State’s “sprawl” restrictions. Accordingly, MACo requests the Committee give HB 107 a report of **FAVORABLE WITH AMENDMENTS**.

MACo AMENDMENT TO HB 107

On page 2, in line 25, after "(c)" insert "(1)"; and on page 3, after line 5 insert:

"(2) WHEN ESTABLISHING A FUNDING PROGRAM WITHIN A COUNTY UNDER THIS SUBSECTION, THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT SHALL FIRST CONSULT WITH THE COUNTY AND MODIFY THE CRITERIA OF THE PROGRAM TO ADDRESS ANY CONCERNS OF THE COUNTY."