

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1252
 Economic Matters

(Montgomery County Delegation)

Education, Energy, and the Environment

Department of Housing and Community Development - Montgomery County
Study
MC 19-26

This bill requires the Department of Housing and Community Development (DHCD) to study and make recommendations regarding housing availability and affordability in Montgomery County. DHCD must submit a preliminary report of its findings and recommendations to the General Assembly, Maryland-National Capital Park and Planning Commission, Montgomery County Planning Department, Montgomery County Executive, and Montgomery County Delegation by February 1, 2027, and again the following year. DHCD must submit a final report of its findings and recommendations by February 1, 2029. **The bill takes effect July 1, 2026, and terminates June 30, 2029.**

Fiscal Summary

State Effect: General fund expenditures increase by \$50,000 annually beginning in FY 2027 through FY 2029, to hire a consultant to complete the required study. Revenues are not affected.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	50,000	50,000	50,000	0	0
Net Effect	(\$50,000)	(\$50,000)	(\$50,000)	\$0	\$0

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: In conducting the study and making recommendations, as specified, DHCD must:

- identify the makeup of available housing in Montgomery County by unit type;
- identify any development prospects in Montgomery County; and
- determine the impact of regulations and market forces on Montgomery County's housing supply.

DHCD must confer with the Montgomery County Department of Housing and Community Affairs, Department of Permitting Services, and Planning Department regarding data collection and analysis. Before issuing each report, DHCD must provide each of these agencies with the opportunity to provide a written response to its findings and recommendations and include the responses as appendices in the report.

Current Law: Among other responsibilities, DHCD administers several programs that provide financial assistance related to affordable housing. Among these are the Partnership Rental Housing Program and the Rental Housing Program, which award grants and loans for affordable single-family or multifamily housing:

- *Partnership Rental Housing Program:* The Partnership Rental Housing Program is intended to expand the supply of affordable housing for low-income households. Among other potential program participants, DHCD is authorized to provide financial assistance to political subdivisions or housing authorities to acquire, construct, reconstruct, renovate, or rehabilitate rental housing that is affordable to households of limited income. The fiscal 2027 capital budget as introduced includes \$8.0 million in general obligation (GO) bonds for the program.
- *Rental Housing Program:* The Rental Housing Program is intended to, among other things, stimulate the production of rental housing and use available resources efficiently to serve households that are in need of quality affordable housing opportunities, including families, the elderly, and persons with disabilities or special needs. Loans may be issued to private or nonprofit sponsors, political subdivisions, or local housing authorities on behalf of sponsors of proposed rental housing units. The fiscal 2027 capital budget as introduced includes \$65.0 million in GO bonds, \$19.5 million in special funds, and \$9.0 million in federal funds for the program.

State Expenditures: DHCD advises that it does not have enough staff to conduct the study and analysis in the timeframe set forth in the bill. Therefore, DHCD advises that it intends to use a combination of existing staff from the Division of Policy, Strategy, and Research and an outside vendor. Based on information provided by DHCD, the Department

of Legislative Services estimates that general fund expenditures increase by approximately \$50,000 in fiscal 2027, and annually through fiscal 2029, for DHCD to hire a consultant to conduct the study and perform the analysis required by the bill.

Additional Comments: In July of 2025, DHCD published the *Maryland Housing Needs Assessment Update*, which can be found [here](#). The report contains a detailed analysis regarding the extent of the problem of housing shortages and high housing costs, contributing factors, and impacts on Maryland residents.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Department of Housing and Community Development; Maryland-National Capital Park and Planning Commission; Montgomery County; Department of Legislative Services

Fiscal Note History: First Reader - March 4, 2026
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Analysis by: Kayvon Samadani

Direct Inquiries to:
(410) 946-5510
(301) 970-5510