
By: **Delegates McConkey, V. Clagett, Holmes, McIntosh, Montgomery,
Parker, Sossi, and Stern**

Introduced and read first time: February 10, 2005

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Department of Housing and Community Development - Neighborhood**
 3 **Business Development Program - Community Development Financial**
 4 **Institutions**

5 FOR the purpose of authorizing the Department of Housing and Community
 6 Development to provide financial assistance to community development
 7 financial institutions under the Neighborhood Business Development Program;
 8 altering the purpose of the Program; requiring the Department to use the
 9 Neighborhood Business Development Fund to provide financial assistance to
 10 community development financial institutions; specifying that financial
 11 assistance provided under the Program includes a certain type of loan; altering
 12 a factor that a certain local jurisdiction must take into account before approving
 13 a designated neighborhood; defining a certain term; and generally relating to
 14 community development financial institutions and the Neighborhood Business
 15 Development Program.

16 BY renumbering

17 Article - Housing and Community Development
 18 Section 6-301(b), (c), (d), (e), (f), (g), and (h), respectively
 19 to be Section 6-301(c), (d), (e), (f), (g), (h), and (i), respectively
 20 Annotated Code of Maryland
 21 (As enacted by Chapter ____ (H.B. 11) of the Acts of the General Assembly of
 22 2005)

23 BY adding to

24 Article - Housing and Community Development
 25 Section 6-301(b)
 26 Annotated Code of Maryland
 27 (As enacted by Chapter ____ (H.B. 11) of the Acts of the General Assembly of
 28 2005)

29 BY repealing and reenacting, with amendments,

30 Article - Housing and Community Development

1 Section 6-303, 6-305, 6-306, and 6-310(b)
2 Annotated Code of Maryland
3 (As enacted by Chapter ____ (H.B. 11) of the Acts of the General Assembly of
4 2005)

5 BY repealing and reenacting, without amendments,
6 Article - Housing and Community Development
7 Section 6-310(a)
8 Annotated Code of Maryland
9 (As enacted by Chapter ____ (H.B. 11) of the Acts of the General Assembly of
10 2005)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
12 MARYLAND, That Section(s) 6-301(b), (c), (d), (e), (f), (g), and (h), respectively, of
13 Article - Housing and Community Development of the Annotated Code of Maryland
14 be renumbered to be Section(s) 6-301(c), (d), (e), (f), (g), (h), and (i), respectively.

15 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
16 read as follows:

17 **Article - Housing and Community Development**

18 6-301.

19 (B) "COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION" HAS THE
20 MEANING STATED IN 12 U.S.C. § 4702.

21 6-303.

22 (a) There is a Neighborhood Business Development Program.

23 (b) The purposes of the Program are, in designated neighborhoods, to:

24 (1) help develop, redevelop, or expand small businesses [and],
25 microenterprises, AND COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS;

26 (2) stimulate investment by the private sector;

27 (3) invest in revitalization projects for small businesses [and],
28 microenterprises, AND COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS; and

29 (4) stimulate political subdivisions to participate developing and
30 expanding small businesses [and], microenterprises, AND COMMUNITY
31 DEVELOPMENT FINANCIAL INSTITUTIONS.

32 (c) The Program includes:

33 (1) the Business Development Program; and

1 (2) the Capital Access Program.

2 6-305.

3 With the concurrence of the Secretary, a political subdivision may approve a
4 designated neighborhood after considering:

5 (1) the availability, cost, and condition of business facilities;

6 (2) the age and number of abandoned structures;

7 (3) the age and number of substandard structures;

8 (4) the income of residents relative to State or regional median incomes,
9 including the number of welfare recipients;

10 (5) the extent of unemployment and the availability of jobs for residents;

11 (6) the need for financing for small businesses, nonprofit organizations,
12 [or] microenterprises, OR COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS to
13 upgrade social and economic conditions;

14 (7) the development or redevelopment strategy of the political
15 subdivision for the area and any plans, or financial commitment to undertake
16 improvements there; and

17 (8) other standards that the Department considers relevant as set forth
18 in regulations, including standards established for other State or federal programs.

19 6-306.

20 (a) (1) A small business, nonprofit organization, [or] microenterprise, OR
21 COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION may apply for financial
22 assistance under the Business Development Program.

23 (2) The Department shall review each application.

24 (b) An applicant may qualify for financial assistance for a project in a
25 designated neighborhood if the application demonstrates that:

26 (1) the project has significant commitments for financing from other
27 private and nonstate public sources that are sufficient to complete the project with
28 the money from the Fund;

29 (2) the financial assistance from the Fund is the minimum amount
30 necessary to make the project financially feasible;

31 (3) the project is ready to proceed when it receives financial assistance
32 from the Business Development Program; and

1 (4) the political subdivision has adopted a resolution, or its authorized
2 designee has delivered a letter to the Business Development Program, that expresses
3 support for the project.

4 (c) Financial assistance under the Business Development Program may be
5 provided to a small business, nonprofit organization, [or] microenterprise, OR
6 COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION as:

7 (1) a grant;

8 (2) a loan, INCLUDING A LOAN TO A COMMUNITY DEVELOPMENT
9 FINANCIAL INSTITUTION TO HELP DEVELOP, REDEVELOP, OR EXPAND A SMALL
10 BUSINESS ENTERPRISE, MICROENTERPRISE, OR LOW-INCOME TO
11 MODERATE-INCOME HOUSING DEVELOPMENT;

12 (3) a reduction in the principal obligation of or interest rate on a loan or
13 portion of a loan;

14 (4) a prepayment of interest on a subordinate or superior loan or portion
15 of a loan;

16 (5) an assurance;

17 (6) a guarantee; or

18 (7) any other form of credit enhancement.

19 6-310.

20 (a) There is a Neighborhood Business Development Fund.

21 (b) The Department shall use the Fund to:

22 (1) operate and pay expenses of the Program; and

23 (2) provide financial assistance to small businesses, nonprofit
24 organizations, [and] microenterprises, AND COMMUNITY DEVELOPMENT FINANCIAL
25 INSTITUTIONS.

26 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 October 1, 2005.