

HOUSE BILL 1327

C8

2lr3159

By: **Delegate Lafferty**

Introduced and read first time: February 16, 2012

Assigned to: Rules and Executive Nominations

Re-referred to: Environmental Matters, February 27, 2012

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 19, 2012

CHAPTER _____

1 AN ACT concerning

2 **Community Legacy Program – Sustainable Community Designation – Time**
3 **Extension**

4 FOR the purpose of extending the date until which existing community legacy areas
5 and designated neighborhoods will be considered sustainable communities for
6 the purposes of the Community Legacy Program; extending the date by which
7 sponsors of existing community legacy areas and designated neighborhoods are
8 required to file for redesignation as a sustainable community for the purposes of
9 financial assistance under the Program; and generally relating to the
10 designation of sustainable communities and the Community Legacy Program.

11 BY repealing and reenacting, without amendments,
12 Article – Housing and Community Development
13 Section 6–204, 6–205, 6–206, and 6–305
14 Annotated Code of Maryland
15 (2006 Volume and 2011 Supplement)

16 BY repealing and reenacting, with amendments,
17 Chapter 487 of the Acts of the General Assembly of 2010
18 Section 2, 4, and 5

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
20 MARYLAND, That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 **Article – Housing and Community Development**

2 6–204.

3 (a) A sponsor may file one or more applications in accordance with the
4 schedules that the Department establishes.

5 (b) An application shall set forth:

6 (1) a description of one or more sustainable communities where the
7 sponsor proposes to develop a sustainable community plan or to carry out a
8 community legacy project using the standards listed in § 6–205 of this subtitle;

9 (2) a detailed description of the proposed sustainable community plan
10 or proposed community legacy project;

11 (3) the amount and type of financial assistance sought;

12 (4) the ability of the sponsor to carry out the proposed sustainable
13 community plan or community legacy project;

14 (5) the strength and quality of partnerships created among the federal
15 government, the State government, political subdivisions, community development
16 organizations, and other private organizations to develop the sustainable community
17 plan or carry out the community legacy project, including:

18 (i) financial support;

19 (ii) dedication of staff and resources; and

20 (iii) commitment to and development of local smart growth
21 policies;

22 (6) proposed benchmarks for evaluating whether the proposed
23 sustainable community plan or community legacy project results in a desired outcome
24 for a proposed sustainable community, such as:

25 (i) stabilizing it;

26 (ii) reversing its social, economic, or physical decline; or

27 (iii) encouraging growth in it; and

28 (7) the process used to seek and receive public input on the proposed
29 sustainable community plan or community legacy project, including the nature and
30 extent of public support or opposition.

1 (c) (1) The Smart Growth Subcabinet, on the recommendation of the
2 Secretary, may designate an area as a sustainable community.

3 (2) If the Smart Growth Subcabinet has not acted within 90 days of a
4 recommendation from the Secretary, the Secretary may designate an area as a
5 sustainable community without the approval of the Smart Growth Subcabinet.

6 6–205.

7 (a) The Smart Growth Subcabinet, on the recommendation of the Secretary,
8 may designate an area as a sustainable community if the sponsor demonstrates that
9 past and current trends in homeownership, property values, commercial and
10 residential vacancy, and business or housing investment show a need for reinvestment
11 in the area and if:

12 (1) entities in the community, such as local governments, employers,
13 educational institutions, civic organizations, community organizations, or cultural
14 organizations, support the proposed sustainable community plan and have pledged
15 resources to develop or implement it;

16 (2) the proposed sustainable community plan addresses the need for
17 reinvestment in the area and will enhance the area, and give individuals of different
18 incomes a range of housing options, employment opportunities, and other amenities;

19 (3) a community in the proposed area is culturally or historically
20 significant;

21 (4) the proposed area is near a town center or a transportation center;

22 (5) the proposed sustainable community plan is consistent with and
23 complements other existing or proposed projects for housing, commercial or
24 community development, education, historic preservation, neighborhood revitalization,
25 transportation, or other things significant to the comprehensive enhancement of the
26 community; or

27 (6) there is a demonstrated need for financing assistance for small
28 businesses, nonprofit organizations, or microenterprises.

29 (b) (1) To maintain a sustainable community designation:

30 (i) every 5 years a sponsor shall file an updated plan and
31 application with the Department; and

32 (ii) the Secretary shall make designation recommendations for
33 approval by the Smart Growth Subcabinet under § 6–204 of this subtitle.

1 (2) The Department shall convene an interagency review team from
2 the agencies of the Smart Growth Subcabinet to:

3 (i) review applications and plans;

4 (ii) provide assistance and guidance to applicants; and

5 (iii) make recommendations to the Secretary.

6 (3) The Smart Growth Subcabinet may redesignate an area as a
7 sustainable community taking into consideration the factors in subsection (a) of this
8 section.

9 6–206.

10 (a) The Department shall:

11 (1) review each application and may request more information from
12 the sponsor;

13 (2) accept public input on each application;

14 (3) submit each application to appropriate State units and appropriate
15 members of the Smart Growth Subcabinet;

16 (4) consider any recommendation a State unit or member of the Smart
17 Growth Subcabinet makes;

18 (5) consider geographic balance when reviewing applications; and

19 (6) give priority in awarding financial assistance to applicants that are
20 likely to repay the financial assistance to a community development financial
21 institution or to the Community Legacy Financial Assistance Fund.

22 (b) (1) The Department may not approve an application unless the
23 political subdivision in which the proposed project is located approves the application
24 by resolution.

25 (2) If an application affects a sustainable community entirely within a
26 municipal corporation, the approval must come from the municipal corporation rather
27 than the surrounding county.

28 (3) If an application affects a sustainable community within more than
29 one political subdivision, each political subdivision must approve it by resolution.

30 (c) The Secretary shall award financial assistance to a sponsor or a sponsor's
31 designee:

1 (1) in the amount and of the type that the Secretary determines; and

2 (2) under the terms of a community legacy agreement.

3 6–305.

4 (a) (1) A small business, nonprofit organization, or microenterprise may
5 apply for financial assistance under the Business Development Program.

6 (2) The Department shall review each application.

7 (b) An applicant may qualify for financial assistance for a project in a
8 sustainable community if the application demonstrates that:

9 (1) except for a microenterprise project, the project has significant
10 commitments for financing from other private and nonstate public sources that are
11 sufficient to complete the project with the money from the Fund;

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

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

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

19 (c) Financial assistance under the Business Development Program may be
20 provided to a small business, nonprofit organization, or microenterprise as:

21 (1) a grant;

22 (2) a loan;

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

25 (4) a prepayment of interest on a subordinate or superior loan or
26 portion of a loan;

27 (5) an assurance;

28 (6) a guarantee; or

29 (7) any other form of credit enhancement.

1 **Chapter 487 of the Acts of 2010**

2 SECTION 2. AND BE IT FURTHER ENACTED, That any community legacy
3 area approved by the Community Legacy Board prior to [January 1, 2008] **JUNE 1,**
4 **2010**, shall be considered a sustainable community [for 24 months after the effective
5 date of this Act, and any community legacy area approved by the Community Legacy
6 Board on or after January 1, 2008, shall be considered a sustainable community for 36
7 months after the effective date of this Act] **UNTIL DECEMBER 31, 2013.**

8 SECTION 4. AND BE IT FURTHER ENACTED, That any designated
9 neighborhood approved by the Secretary of Housing and Community Development
10 prior to [the effective date of this Act] **JUNE 1, 2010**, shall be considered a
11 sustainable community [for 24 months after the effective date of this Act] **UNTIL**
12 **DECEMBER 31, 2013.**

13 SECTION 5. AND BE IT FURTHER ENACTED, That [within 24 months after
14 the effective date of this Act] **ON OR BEFORE DECEMBER 31, 2013**, a sponsor shall
15 file an application to redesignate any approved designated neighborhood as a
16 sustainable community under §§ 6-204 and 6-205 of the Housing and Community
17 Development Article for projects to be eligible for financial assistance under § 6-305(b)
18 of the Housing and Community Development Article, as enacted by Section 1 of this
19 Act.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 ~~October~~ June 1, 2012.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.