

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE

House Bill 33 (Delegate Vitale)
Environment and Transportation

Housing and Community Development - Community Development Projects and
Public Purpose Projects

This bill requires the Department of Housing and Community Development's (DHCD) Community Development Administration (CDA) to provide written notice and a reasonable opportunity to comment to the *appropriate governing body*, rather than the chief executive or equivalent officer and the head or president of the legislative body, of the political subdivision where a community development or public purpose project is proposed. CDA must also obtain approval of the land use for a community development or public purpose project by resolution of the appropriate governing body. The bill also applies specified authorizations and requirements for CDA that are currently applicable to community development projects to public purpose projects.

Fiscal Summary

State Effect: The bill is not anticipated to significantly affect State finances, but it could affect CDA operations to the extent it causes any project delays.

Local Effect: The bill is not anticipated to significantly affect local government operations or finances.

Small Business Effect: Minimal.

Analysis

Current Law/Background: Chapter 229 of 2014 required DHCD's CDA to provide written notice and a reasonable opportunity to comment to the chief executive officer or equivalent officer and the head or president of the legislative body of the political subdivision in which a proposed community development project or a public purpose

project is proposed. Chapter 229 repealed a requirement that CDA obtain approval of the land use for a community development project by resolution of the appropriate governing body of the locality in which the project was located

Currently, specified authorizations and requirements regarding *community development projects* are not applicable to *public purpose projects*. CDA is authorized, under certain circumstances, to sell or lease for no more than 99 years all or part of the real, mixed, or personal property constituting a community development project. CDA is required to comply with local laws applicable to community development projects and must carry out, wherever possible, community development projects together with and through the use of (1) private enterprise; (2) limited dividend corporations; (3) local development agencies; and (4) local development entities. Under the bill, those authorizations and requirements also apply to *public purpose projects*.

A project qualifies as a public purpose project if it is undertaken with the financial assistance of CDA or the assistance of federal low-income housing credits authorized by the Internal Revenue Code and is (1) eligible wholly or partly for federal low-income housing credits or (2) in a location designated as a distressed area by the Secretary of Housing and Community Development. A project qualifies as a community development project if it meets specified housing, infrastructure, and facilities requirements that promote sound community development.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Housing and Community Development; Caroline, Howard, Montgomery, and Prince George's counties; Baltimore City; City of Bowie; Department of Legislative Services

Fiscal Note History: First Reader - January 27, 2015
mar/lgc

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