

# HOUSE BILL 109

C8

8lr0587  
CF SB 821

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By: **Delegate Lafferty**

Introduced and read first time: January 12, 2018

Assigned to: Environment and Transportation

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 7, 2018

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Community Development Program Act of 2018**

3 FOR the purpose of establishing the Community Development Program in the Department  
4 of Housing and Community Development; requiring the Department to perform  
5 certain duties; establishing the Community Development Board in the Department;  
6 providing for the membership and chair of the Board; requiring the Board to perform  
7 certain duties; establishing the Community Development Fund as a special,  
8 nonlapsing fund; specifying the purpose of the Fund; requiring the Department to  
9 administer the Fund with the assistance of the Board; requiring the State Treasurer  
10 to hold the Fund and the Comptroller to account for the Fund; specifying the contents  
11 of the Fund; specifying the purpose for which the Fund may be used; providing for  
12 the investment of money in and expenditures from the Fund; defining certain terms;  
13 providing for the construction of this Act; and generally relating to the Community  
14 Development Program Act.

15 BY adding to

16 Article – Housing and Community Development

17 Section 6–601 through 6–609 to be under the new subtitle “Subtitle 6. Community  
18 Development Program Act”

19 Annotated Code of Maryland

20 (2006 Volume and 2017 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

22 That the Laws of Maryland read as follows:

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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                   **SUBTITLE 6. COMMUNITY DEVELOPMENT PROGRAM ACT.**

3   **6–601.**

4           **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**  
5 **INDICATED.**

6           **(B) “BOARD” MEANS THE COMMUNITY DEVELOPMENT BOARD.**

7           **(C) “FUND” MEANS THE COMMUNITY DEVELOPMENT FUND.**

8           **(D) “PROGRAM” MEANS THE COMMUNITY DEVELOPMENT PROGRAM.**

9   **6–602.**

10          **(A) THERE IS A COMMUNITY DEVELOPMENT PROGRAM IN THE**  
11 **DEPARTMENT.**

12          **(B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE FINANCIAL**  
13 **ASSISTANCE FOR COMMUNITY DEVELOPMENT PROJECTS AND COMMUNITY**  
14 **DEVELOPMENT ORGANIZATIONS AROUND THE STATE.**

15   **6–603.**

16          **THE DEPARTMENT SHALL:**

17           **(1) ADMINISTER THE PROGRAM; AND**

18           **(2) ADOPT REGULATIONS TO CARRY OUT THE PROGRAM.**

19   **6–604.**

20          **(A) THERE IS A COMMUNITY DEVELOPMENT BOARD IN THE PROGRAM.**

21          **(B) THE BOARD CONSISTS OF THE FOLLOWING MEMBERS:**

22           **(1) THE SECRETARY, OR THE SECRETARY’S DESIGNEE; AND**

23           **(2) THE FOLLOWING MEMBERS, APPOINTED BY THE GOVERNOR, IN**  
24 **CONSULTATION WITH THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE**  
25 **HOUSE:**

1 (I) ONE REPRESENTATIVE OF THE COMMUNITY  
2 DEVELOPMENT NETWORK OF MARYLAND;

3 (II) ONE REPRESENTATIVE OF THE SMALL BUSINESS  
4 COMMUNITY;

5 (III) ONE REPRESENTATIVE OF THE NONPROFIT DEVELOPMENT  
6 COMMUNITY;

7 (IV) ONE REPRESENTATIVE OF THE FOR-PROFIT DEVELOPMENT  
8 COMMUNITY;

9 (V) ONE REPRESENTATIVE INVOLVED WITH RURAL COMMUNITY  
10 DEVELOPMENT;

11 (VI) ONE REPRESENTATIVE INVOLVED WITH SUBURBAN  
12 COMMUNITY DEVELOPMENT; AND

13 (VII) ONE REPRESENTATIVE INVOLVED WITH URBAN COMMUNITY  
14 DEVELOPMENT.

15 (C) THE SECRETARY SHALL DESIGNATE THE CHAIR OF THE BOARD.

16 (D) (1) THE TERM OF A MEMBER MAY NOT EXCEED 3 YEARS.

17 (2) A MEMBER MAY BE REAPPOINTED.

18 (E) SERVICE AS A MEMBER IS NOT A STATE OFFICE OR STATE EMPLOYMENT  
19 FOR PURPOSES OF ANY PROHIBITION AGAINST HOLDING TWO PUBLIC POSITIONS.

20 **6-605.**

21 **THE BOARD SHALL:**

22 (1) MAKE RECOMMENDATIONS ON HOW THE FUND IS TO BE USED;

23 (2) PROVIDE A PERIOD OF AT LEAST 30 DAYS FOR PUBLIC COMMENT  
24 ON THE RECOMMENDATIONS; AND

25 (3) REPORT ON OR BEFORE DECEMBER 31 EACH YEAR ON THE  
26 ACTIVITIES OF THE FUND AND MAKE ANY RECOMMENDATIONS REGARDING THE  
27 FUND TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE  
28 GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

29 **6-606.**

1           **(A)    THERE IS A COMMUNITY DEVELOPMENT FUND.**

2           **(B)    THE PURPOSE OF THE FUND IS TO PROVIDE FINANCIAL ASSISTANCE**  
3 **FOR COMMUNITY DEVELOPMENT PROJECTS AND COMMUNITY DEVELOPMENT**  
4 **ORGANIZATIONS AROUND THE STATE.**

5           **(C)    THE DEPARTMENT SHALL ADMINISTER THE FUND WITH THE**  
6 **ASSISTANCE OF THE BOARD.**

7           **(D)    (1)   THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**  
8 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

9           **(2)    THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,**  
10 **AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

11          **(E)    THE FUND CONSISTS OF:**

12           **(1)    MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND; AND**

13           **(2)    ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**  
14 **THE BENEFIT OF THE FUND.**

15          **(F)    THE FUND MAY BE USED ONLY FOR:**

16           **(1)    ADMINISTRATIVE EXPENSES OF THE DEPARTMENT IN**  
17 **ADMINISTERING THE PROGRAM; AND**

18           **(2)    FINANCIAL ASSISTANCE FOR COMMUNITY DEVELOPMENT**  
19 **PROJECTS AND COMMUNITY DEVELOPMENT ORGANIZATIONS AS PROVIDED UNDER**  
20 **§ 6-607 OF THIS SUBTITLE.**

21          **(G)    (1)   THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**  
22 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

23           **(2)    ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**  
24 **THE GENERAL FUND OF THE STATE.**

25          **(H)    EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**  
26 **WITH THE STATE BUDGET.**

27          **(I)    MONEY EXPENDED FROM THE FUND FOR THE PROGRAM IS**  
28 **SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT**  
29 **OTHERWISE WOULD BE APPROPRIATED FOR THE PROGRAM.**

1 **6-607.**

2 IN CONSULTATION WITH THE BOARD, THE DEPARTMENT SHALL ADMINISTER  
3 THE FUND TO PROVIDE FINANCIAL ASSISTANCE, INCLUDING CAPITAL AND  
4 OPERATING GRANTS, TO COMMUNITY DEVELOPMENT PROJECTS AND COMMUNITY  
5 DEVELOPMENT ORGANIZATIONS TO PROVIDE AND SUPPORT:

6 (1) AFFORDABLE HOUSING;

7 (2) NEIGHBORHOOD REVITALIZATION FOR RESIDENTIAL AND  
8 COMMERCIAL AREAS;

9 (3) HOUSING COUNSELING, FINANCIAL COUNSELING, AND  
10 FORECLOSURE PREVENTION;

11 (4) COMMUNITY ORGANIZING;

12 (5) SMALL BUSINESS DEVELOPMENT;

13 (6) COMMUNITY SERVICES; AND

14 (7) ANY OTHER COMMUNITY DEVELOPMENT PURPOSE.

15 **6-608.**

16 THE DEPARTMENT SHALL PROVIDE FINANCIAL ASSISTANCE FROM THE FUND  
17 IN THE FORM AND MANNER THE DEPARTMENT DETERMINES APPROPRIATE,  
18 INCLUDING PROVIDING CAPITAL AND OPERATING GRANTS.

19 **6-609.**

20 THIS SUBTITLE IS THE COMMUNITY DEVELOPMENT PROGRAM ACT.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act may not be construed  
22 to require the Department of Housing and Community Development to provide staff or  
23 operating expenses for the administration of the Community Development Program  
24 established under Section 1 of this Act until money is appropriated in the State budget for  
25 the Community Development Fund.

26 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
27 ~~October~~ July 1, 2018.