

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 108

(Delegate Lafferty)

Environment and Transportation

Education, Health, and Environmental Affairs

Department of Housing and Community Development - Baltimore Regional
Neighborhood Initiative Program - Application Requirement

This bill repeals the requirement that an application to the Department of Housing and Community Development (DHCD) for funds under the Baltimore Regional Neighborhood Initiative Program (BRNI) contain a local government resolution or letter of support. **The bill takes effect June 1, 2018, and applies only to applications for funds submitted on or after that date.**

Fiscal Summary

State Effect: The bill is procedural in nature and does not materially affect State finances or operations.

Local Effect: The bill is procedural in nature and does not materially affect local finances or operations.

Small Business Effect: Potential minimal.

Analysis

Current Law: A community development organization may apply to DHCD to receive program funds to be used for operating costs necessary to implement various community enhancement projects, which include:

- down payment assistance for homebuyers to purchase and rehabilitate homes;
- programs to acquire or rehabilitate vacant or blighted properties;

- programs to improve existing residential and business properties;
- programs to achieve energy efficiency through weatherization and energy retrofits;
- development of mixed-use projects that combine housing, retail, and office space;
- development or enhancement of community open space or public infrastructure;
- workforce and employment development programs; and
- strategic demolition.

DHCD must establish the application process, and an application must contain specified information, including a local government resolution of support or letter of support. DHCD must adopt regulations to establish a quantitative system to evaluate applications based on specified criteria. DHCD is authorized to give additional consideration to applications that include certain opportunities, activities, and projects.

DHCD must review each application submitted, accept public input on each application, and consider the recommendation of any State unit. The department may not approve an application unless it provides notice and a reasonable opportunity to comment to the specified political subdivision in which a proposed project is located.

Background: According to DHCD, BRNI aims to demonstrate how strategic investment in local housing and businesses can lead to healthy, sustainable communities with a growing tax base and enhanced quality-of-life. The program attempts to focus on areas where modest investment and a coordinated strategy will have an appreciable neighborhood revitalization impact.

Projects must be located in designated [sustainable communities](#), which are areas found within [priority funding areas](#).

BRNI receives funding through both the State operating and capital budgets. The operating budget for BRNI is \$750,000 annually. The *Capital Improvement Program* includes \$3 million annually in general obligation bonds from fiscal 2019 through 2023.

In fiscal 2017, DHCD received 42 capital and operating project applications requesting almost \$10 million in funding from 11 nonprofit community development corporations or coalitions. Awards were made for 33 projects.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore City; Baltimore County; Department of Housing and Community Development; Department of Legislative Services

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