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By: Chairman, Economic Matters Committee (Departmental - Housing and Community Dev.)

Introduced and read first time: January 27, 1999 Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

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Department of Housing and Community Development - Community Development Administration - Community Development Projects

4 FOR the purpose of providing that a requirement that occupants of housing provided

- 5 under certain community development projects have limited incomes does not
- 6 apply to projects in certain neighborhood revitalization areas; and generally
- 7 relating to the Community Development Administration and the Department of
- 8 Housing and Community Development.

9 BY repealing and reenacting, without amendments,

10 Article 83B - Department of Housing and Community Development

- 11 Section 2-203(a)
- 12 Annotated Code of Maryland
- 13 (1998 Replacement Volume)

14 BY repealing and reenacting, with amendments,

- 15 Article 83B Department of Housing and Community Development
- 16 Section 2-203(f) and 2-204(13)
- 17 Annotated Code of Maryland
- 18 (1998 Replacement Volume)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

20 MARYLAND, That the Laws of Maryland read as follows:

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Article 83B - Department of Housing and Community Development

22 2-203.

23 (a) In this subtitle the following words have the meanings indicated.

24 (f) (1) "Community development project" means any undertaking or project,

25 or portion thereof, including lands, buildings and improvements, real, mixed and

26 personal properties or interest therein that is planned, acquired, owned, developed,

27 constructed, reconstructed, rehabilitated, repaired, renovated, or improved for the

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 purposes of promoting sound community development. [A] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A community development project: 				
3 [(1)] (I) 4 be occupied:) Shall p	provide for existing or new housing which is or which will		
5 [(i	i)] 1.	In substantial part by families of limited incomes; or		
6 [(i 7 at least 20 percent shall b	ii)] 2. be for families	In the event such a project is financed with taxable bonds, s of limited incomes; and		
8 [(2)] (II) Shall provide such improvements as streets, roads, sewer and 9 water lines, and such other public or private facilities intended for commercial, 10 educational, cultural, recreational, community or other civic purpose, as may be 11 needed to support such new or existing housing. However, if such other public or 12 private facilities are not needed to support such new or existing housing, they may be 13 included in a community development project if they comprise less than a substantial 14 part of such community development project, unless it is determined by the Secretary 15 that sound community development is promoted by including a greater proportion of 16 public or private facilities.				
 THE INCOME LIMIT REQUIREMENTS OF PARAGRAPH (1)(I) OF THIS SUBSECTION DO NOT APPLY TO A COMMUNITY DEVELOPMENT PROJECT THAT IS LOCATED IN A NEIGHBORHOOD DESIGNATED UNDER § 4-203 OF THIS ARTICLE. 				
20 2-204.				
	shall have the	following functions and responsibilities:		
		e following functions and responsibilities: ordance with the provisions of § 2-205 of this subtitle:		
21 The Administration				
 21 The Administration 22 (13) (i) 23 24 25 for any community deve 26 mortgage lien, including 27 loans to families of limit) In acco 1. A. elopment proje g temporary lo ted incomes, l	ordance with the provisions of § 2-205 of this subtitle:		
 21 The Administration 22 (13) (i) 23 24 25 for any community deve 26 mortgage lien, including 27 loans to families of limit 28 purchase of dwelling un 29 project; and 30 31 limited income that are set) In acco 1. A. elopment projeg g temporary log ted incomes, light its in a comm B. secured by a r	ordance with the provisions of § 2-205 of this subtitle: Make, purchase, and participate in making: Mortgage loans or otherwise provide financial assistance ect or public purpose project, secured by a ans or advances and permanent direct mortgage F OTHERWISE REQUIRED BY LAW, for the		
 21 The Administration 22 (13) (i) 23 24 25 for any community deve 26 mortgage lien, including 27 loans to families of limit 28 purchase of dwelling un 29 project; and 30 31 limited income that are as 32 including personal expensional) In acco 1. A. elopment projeg g temporary log ted incomes, light its in a comm B. secured by a r	ordance with the provisions of § 2-205 of this subtitle: Make, purchase, and participate in making: Mortgage loans or otherwise provide financial assistance ect or public purpose project, secured by a bans or advances and permanent direct mortgage F OTHERWISE REQUIRED BY LAW, for the unity development project or public purpose Reverse equity mortgage loans for elderly families of nortgage lien for housing related expenses,		

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1	1. "Mortgage loans" includes loans to finance or refinance
2	purchases of stock or membership or to rehabilitate units in a cooperative ownership

3 housing corporation; and

4 2.	"Reverse equity mortgage loans" includes loans that use
5 the equity in a home as collateral.	

Any commitment, mortgage or bonds or notes secured shall 6 (iii) 7 contain terms and conditions necessary to secure repayment of its loan, the interest 8 thereon and other charges in connection with the loan. Mortgage loans for a 9 community development project or a public purpose project and reverse equity 10 mortgage loans may bear interest at any rate or rates which the Administration 11 determines will make such projects economically feasible, except that the 12 Administration may not increase the rate of interest originally charged on a 13 permanent direct mortgage loan to a family for the purchase of a dwelling unit in a 14 community development project or public purpose project. Subject to the provisions of 15 any contract with noteholders or bondholders, consent to the modification, with 16 respect to rate of interest, time of payments of any installment of principal or interest, security, or any other term, of any mortgage, mortgage loan, reverse equity mortgage 17 18 loan, mortgage loan commitment, or reverse equity mortgage loan commitment, 19 contract, or agreement of any kind to which the Administration is a party. In 20 connection with any property on which it holds a mortgage loan or reverse equity 21 mortgage loan, the Administration may foreclose on the property or commence any 22 action to protect or enforce any right conferred upon it by any law, mortgage contract 23 or other agreement, and bid for and purchase the property at any foreclosure or at any 24 other sale, or acquire or take possession of the property; and in any event the 25 Administration may complete, administer, pay the principal of and interest on any 26 obligations incurred in connection with the property, dispose of, and otherwise deal 27 with the property, in a manner as may be necessary or desirable to protect the 28 interests of the Administration. Except for liens held in connection with public 29 purpose projects, any lien held by the Administration on property shall be a lien 30 superior to all other liens on the property except liens for taxes owed to the State or 31 any subdivision thereof and earlier mortgage liens. The Administration may sell any 32 mortgage or other obligation held by it, at public or private sale, with or without public bidding. The Administration may purchase securities backed by mortgage 33 loans in order to provide financial assistance, with the proceeds of such 34 35 mortgage-backed securities or with investment earnings on such securities, to 36 community development projects and public purpose projects.

37 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take 38 effect July 1, 1999.

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