

**Department of Legislative Services**  
Maryland General Assembly  
2005 Session

**FISCAL AND POLICY NOTE**

House Bill 11	(The Speaker)
	(Department of Legislative Services - Code Revision)
Environmental Matters	Education, Health, and Environmental Affairs

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**Housing and Community Development**

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This bill revises, restates, and recodifies the laws relating to the Department of Housing and Community Development and its component parts. The new Housing and Community Development Article is a nonsubstantive revision of statutes that relate to housing and community development. The article consists of Division I (“Housing, Community, and Heritage Programs”), which concerns the operations of the Department of Housing and Community Development. Division I of the article is divided into 11 titles that contain provisions mainly from Article 83B – Housing and Community Development.

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**Fiscal Summary**

**State Effect:** None. While the Department of Housing and Community Development’s regulations and loan application forms may need to be amended, in order to conform to the revised Housing and Community Development Article, these tasks could be handled with existing resources.

**Local Effect:** None.

**Small Business Effect:** None.

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## **Analysis**

**Bill Summary:** The bill repeals Article 83B in its entirety. Division I of the new Housing and Community Development Article is divided into 11 titles that contain provisions mainly from Article 83B – Housing and Community Development. The 11 titles are as follows:

### ***Title 1. Definitions***

Contains definitions and general provisions that apply to the entire article.

### ***Title 2. Department of Housing and Community Development***

Deals with the organizational structure of the Department of Housing and Community Development.

### ***Title 3. Division of Credit Assurance***

Deals with the purpose of the Division of Credit Assurance, including provisions encompassing the Maryland Housing Fund.

### ***Title 4. Division of Development Finance***

Deals with the 17 programs, projects, and other governmental units that compose the Division of Development Finance.

### ***Title 5. Division of Historical and Cultural Programs***

Deals with the unit that encompasses the Commission on African American History and Culture, the Commission on Indian Affairs, the Maryland Historical Trust, and the Historical and Cultural Museum Assistance Program.

### ***Title 6. Division of Neighborhood Revitalization***

Deals with the unit that administers commercial and mixed-use revitalization programs to encourage physical and organizational improvements to business areas.

### ***Title 7. Assisted Housing Preservation Act***

Concerns properties (“assisted projects”) that are under common ownership containing 10 or more dwellings intended to be leased to assisted households for occupancy as their primary residences; and (1) the assisted projects are financed by loans that are insured or assisted under certain federal programs; or (2) the assisted projects, their owners, or lenders to the projects receive project-based, Section 8 rental assistance.

### ***Title 8. Community Action Agencies***

Describes community action agencies, which plan community action programs and supplement local efforts to combat poverty, initiate and sponsor community projects to

help meet the needs of low-income persons, and establish procedures for community residents to participate in and influence the character of their community action programs. Community action agencies also join with other private and public officials and organizations to support community action programs that: (1) use private resources and capabilities for new employment opportunities; (2) stimulate investments in poverty-stricken areas; and (3) provide residents with methods to seek solutions to problems of common concern.

***Title 9. Community Reinvestment Fund***

Describes the fund, which is a private investment vehicle to increase community reinvestment in neighborhoods and communities that have an urgent need for reinvestment, make community reinvestment by financial institutions easier and more desirable by spreading the financial risk and offering State experience in providing community reinvestment lending, and forging partnerships among financial institutions and the State for meeting community reinvestment goals.

***Title 10. Maryland Affordable Housing Trust***

Concerns the trust, the purpose of which is to make affordable housing more available throughout the State.

***Title 11. Maryland State Appalachian Housing Fund***

Describes the fund, whose purpose is to fulfill the obligations of the Department of Housing and Community Development under any agreement with the Appalachian Regional Commission.

The bill also revises and deletes certain unnecessary provisions, deemed by the Housing and Community Development Article Review Committee to be verbose, duplicative, or redundant. The bill also deletes obsolete and inconsistent provisions, or makes revisions to remedy inconsistencies.

**Current Law:** Similar provisions related to housing and community development are currently contained mainly in Article 83B – Housing and Community Development.

**Background:** The Housing and Community Development Article is a product of the continuing revision of the Annotated Code of Maryland by the legal staff of the Office of Policy Analysis, Department of Legislative Services. The first revised articles were enacted at the First Extraordinary Session of 1973. To date, 30 other revised articles have become law: Agriculture, Business Occupations and Professions, Business Regulation, Commercial Law, Constitutions, Corporations and Associations, Correctional Services, Courts and Judicial Proceedings, Criminal Law, Criminal Procedure, Education, Election Law, Estates and Trusts, Family Law, Financial Institutions, Health –

Environmental (now Environment), Health – General, Health Occupations, Insurance, Labor and Employment, Natural Resources, Public Safety, Public Utility Companies, Real Property, State Finance and Procurement, State Government, State Personnel and Pensions, Tax – General, Tax – Property, and Transportation. The basic thrust of the revision is formal; the sole purposes of the work are modernization and clarification, not policymaking.

**Additional Comments:** Every effort is made to ensure that a proposed revision conforms as nearly as possible to the intent of the General Assembly, and any issues involving the interpretation of an aspect of current law are highlighted in the appropriate revisor’s note. In other instances, the staff and the Article Review Committee have used revisor’s notes to call to the attention of the General Assembly fundamental policy issues that are beyond the purview of the revision process.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Housing and Community Development,  
Department of Legislative Services

**Fiscal Note History:** First Reader - January 25, 2005  
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