

SENATE BILL 890

C8

9lr2566

By: **Senator Jones**

Introduced and read first time: February 6, 2009

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Community Enhancement Transit-Oriented Development Fund**

3 FOR the purpose of establishing the Maryland Community Enhancement
4 Transit-Oriented Development Fund for certain purposes; providing that the
5 Fund is a special, nonlapsing fund administered by the Secretary of Housing
6 and Community Development; providing for the contents and uses of the Fund;
7 requiring a certain portion of certain revenues from certain projects be paid into
8 the Fund; authorizing certain financial assistance to be provided to certain
9 qualified recipients in certain areas from the Fund in certain manners;
10 requiring the Secretary to provide financial assistance from the Fund in
11 consultation with certain persons; requiring the Secretary to solicit certain
12 input from certain local governing bodies in connection with certain financial
13 assistance; requiring the Secretary to appoint certain local advisory groups for
14 certain purposes; requiring the Secretary to provide certain financial assistance
15 in a certain manner; requiring the Secretary to adopt certain regulations;
16 stating certain findings of the General Assembly; providing for the purposes of
17 this Act; defining certain terms; and generally relating to the Maryland
18 Community Development Transportation Fund and community initiatives.

19 BY repealing and reenacting, without amendments,

20 Article – Economic Development

21 Section 1–101(e)

22 Annotated Code of Maryland

23 (2008 Volume)

24 BY adding to

25 Article – Housing and Community Development

26 Section 6–501 through 6–505 to be under the new subtitle “Subtitle 5. Maryland
27 Community Enhancement Transit-Oriented Development Fund”

28 Annotated Code of Maryland

29 (2006 Volume and 2008 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article – Economic Development**

4 1–101.

5 (e) (1) “Qualified distressed county” means a county with:

6 (i) an average rate of unemployment for the most recent
7 24–month period for which data are available that exceeds 150% of the average rate of
8 unemployment for the State during that period; or

9 (ii) an average per capita personal income for the most recent
10 24–month period for which data are available that is equal to or less than 67% of the
11 average per capita personal income for the State during that period.

12 (2) “Qualified distressed county” includes a county that:

13 (i) no longer meets either criterion stated in paragraph (1) of
14 this subsection; but

15 (ii) has met at least one of the criteria at some time during the
16 preceding 12–month period.

17 **Article – Housing and Community Development**

18 **SUBTITLE 5. MARYLAND COMMUNITY ENHANCEMENT TRANSIT–ORIENTED**
19 **DEVELOPMENT FUND.**

20 **6–501.**

21 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
22 INDICATED.

23 (B) “FINANCIAL ASSISTANCE” MEANS A GRANT OR LOAN FROM THE
24 FUND.

25 (C) “FUND” MEANS THE MARYLAND COMMUNITY ENHANCEMENT
26 TRANSIT–ORIENTED DEVELOPMENT FUND.

27 (D) “QUALIFIED DISTRESSED COUNTY” HAS THE MEANING STATED IN §
28 1–101 OF THE ECONOMIC DEVELOPMENT ARTICLE.

29 (E) “QUALIFIED PROJECT AREA” MEANS A COMMUNITY THAT IS:

1 (1) LOCATED IN A QUALIFIED DISTRESSED COUNTY; AND

2 (2) DIRECTLY IMPACTED BY AND WITHIN ONE-HALF MILE OF A
3 TRANSIT-ORIENTED DEVELOPMENT THAT IS JOINTLY FUNDED BY THE STATE
4 AND PRIVATE SECTOR.

5 (F) “QUALIFIED RECIPIENT” MEANS A NOT-FOR-PROFIT COMMUNITY
6 ORGANIZATION THAT IS BASED IN AND SERVES A QUALIFIED PROJECT AREA.

7 **6-502.**

8 (A) THE GENERAL ASSEMBLY FINDS THAT:

9 (1) WHILE STATE AND PRIVATELY FUNDED TRANSIT-ORIENTED
10 DEVELOPMENT PROJECTS ARE PARAMOUNT AND NECESSARY FOR THE
11 ORDERLY ECONOMIC DEVELOPMENT OF THE STATE, THEY MAY PRESENT
12 CHALLENGES AND DIFFICULTIES TO COMMUNITIES THROUGH AND IN WHICH
13 THEY ARE CONSTRUCTED;

14 (2) IN ORDER TO PRESERVE AND ENHANCE THE STATE’S DIVERSE
15 CULTURAL FABRIC IN SUCH COMMUNITIES IT IS ESSENTIAL FOR THE PUBLIC
16 AND PRIVATE SECTORS TO COOPERATE IN DEVELOPING PARTNERSHIPS TO
17 STABILIZE NEIGHBORHOODS THAT ARE AFFECTED BY THESE
18 TRANSIT-ORIENTED DEVELOPMENT PROJECTS;

19 (3) IT IS MOST FRUITFUL TO SEEK COMMUNITY INPUT AND
20 INVOLVEMENT FROM ORGANIZATIONS IN THESE AFFECTED AREAS IN ORDER
21 BEST TO ADDRESS THE PHYSICAL, CULTURAL, AND ECONOMIC IMPACTS OF
22 TRANSIT-ORIENTED DEVELOPMENT PROJECTS; AND

23 (4) FOSTERING COMMUNITY-BASED INITIATIVES FOR
24 NEIGHBORHOOD STABILITY AND GROWTH IS IN THE PUBLIC INTEREST.

25 (B) THE PURPOSE OF THIS SUBTITLE IS TO PROMOTE AND ASSIST
26 COMMUNITY-BASED INITIATIVES THAT ENHANCE NEIGHBORHOOD STABILITY
27 AND ECONOMIC GROWTH IN COMMUNITIES THAT ARE DIRECTLY IMPACTED BY
28 STATE AND PRIVATELY FUNDED TRANSIT-ORIENTED DEVELOPMENT PROJECTS.

29 **6-503.**

30 (A) THERE IS A MARYLAND COMMUNITY ENHANCEMENT
31 TRANSIT-ORIENTED DEVELOPMENT FUND.

1 **(B) THE PURPOSE OF THE FUND IS TO PROMOTE AND ASSIST**
2 **COMMUNITY-BASED INITIATIVES IN QUALIFIED PROJECT AREAS CONSISTENT**
3 **WITH THE PURPOSE OF THIS SUBTITLE.**

4 **(C) THE SECRETARY SHALL ADMINISTER THE FUND.**

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

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

9 **(E) (1) THE FUND CONSISTS OF:**

10 **(I) MONEY APPROPRIATED IN THE STATE BUDGET TO THE**
11 **FUND;**

12 **(II) PROCEEDS OF BONDS THAT ARE MADE AVAILABLE FOR**
13 **THE USE OF THE FUND, INCLUDING GENERAL OBLIGATION BONDS AND GRANT**
14 **ANTICIPATION REVENUE VEHICLES;**

15 **(III) MONEY MADE AVAILABLE FOR QUALIFYING USES BY THE**
16 **FUND FROM OTHER GOVERNMENTAL SOURCES, SUCH AS COMMUNITY**
17 **DEVELOPMENT BLOCK GRANTS AND THE MARYLAND TRANSPORTATION TRUST**
18 **FUND;**

19 **(IV) 5% OF THE REVENUE FROM EACH TRANSIT-ORIENTED**
20 **DEVELOPMENT IN A QUALIFIED PROJECT AREA THAT IS JOINTLY FUNDED BY**
21 **THE STATE AND THE PRIVATE SECTOR, AS THE SECRETARY DETERMINES;**

22 **(V) PAYMENTS OF PRINCIPAL OF AND INTEREST ON LOANS**
23 **MADE UNDER THIS SUBTITLE;**

24 **(VI) INVESTMENT EARNINGS OF THE FUND; AND**

25 **(VII) ANY OTHER MONEY FROM ANY OTHER SOURCE, PUBLIC**
26 **OR PRIVATE, ACCEPTED FOR THE BENEFIT OF THE FUND.**

27 **(2) REVENUES PAID INTO THE FUND FROM EACH**
28 **TRANSIT-ORIENTED DEVELOPMENT IN A QUALIFIED PROJECT AREA UNDER**
29 **PARAGRAPH (1)(IV) OF THIS SUBSECTION SHALL BE SEPARATELY ACCOUNTED**
30 **FOR IN THE FUND SO THAT THE REVENUE DERIVED FROM A DEVELOPMENT IN A**
31 **PARTICULAR QUALIFIED PROJECT AREA SHALL RETURN TO A QUALIFIED**
32 **RECIPIENT IN THAT QUALIFIED PROJECT AREA.**

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

2 **(1) FINANCIAL ASSISTANCE, IN THE FORM OF GRANTS, AND**
3 **LOANS AT LOW OR NO INTEREST, TO QUALIFIED RECIPIENTS FOR THE**
4 **DEVELOPMENT AND IMPLEMENTATION OF INITIATIVES CONSISTENT WITH THE**
5 **PURPOSES OF THIS SUBTITLE;**

6 **(2) MITIGATION OF THE IMPACT OF STATE AND PRIVATELY**
7 **FUNDED TRANSIT-ORIENTED DEVELOPMENT PROJECTS IN QUALIFIED PROJECT**
8 **AREAS;**

9 **(3) FOSTERING PARTNERSHIPS BETWEEN THE PRIVATE AND**
10 **PUBLIC SECTORS TO ADDRESS THESE IMPACTS; AND**

11 **(4) ORGANIZATIONAL CAPACITY BUILDING FOR COMMUNITY**
12 **ORGANIZATIONS THAT ARE OR ARE INTENDED TO BECOME QUALIFIED**
13 **RECIPIENTS, CONSISTENT WITH THE PURPOSES OF THIS SUBTITLE.**

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

16 **(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID**
17 **INTO THE FUND.**

18 **(H) MONEY EXPENDED FROM THE FUND IS SUPPLEMENTAL TO AND IS**
19 **NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT WOULD OTHERWISE BE**
20 **APPROPRIATED FOR NEIGHBORHOOD DEVELOPMENT AND OTHER ASSISTANCE**
21 **IN QUALIFIED PROJECT AREAS UNDER THIS TITLE.**

22 **6-504.**

23 **(A) THE SECRETARY SHALL APPROVE FINANCIAL ASSISTANCE FROM**
24 **THE FUND IN CONSULTATION WITH:**

25 **(1) THE SECRETARY OF TRANSPORTATION, OR THE DESIGNEE OF**
26 **THAT SECRETARY;**

27 **(2) THE SECRETARY OF PLANNING, OR THE DESIGNEE OF THAT**
28 **SECRETARY;**

29 **(3) THE SECRETARY OF BUSINESS AND ECONOMIC**
30 **DEVELOPMENT, OR THE DESIGNEE OF THAT SECRETARY;**

1 (4) THE GOVERNOR'S SPECIAL SECRETARY FOR SMART
2 GROWTH, OR THE SPECIAL SECRETARY'S DESIGNEE; AND

3 (5) THE APPROPRIATE LOCAL ADVISORY GROUP APPOINTED
4 UNDER SUBSECTION (B)(2) OF THIS SECTION.

5 **(B) THE SECRETARY SHALL:**

6 (1) SOLICIT INPUT FROM EACH AFFECTED LOCAL GOVERNING
7 BODY IN CONNECTION WITH THE IDENTIFICATION OF, AND PROVISION OF
8 FINANCIAL ASSISTANCE TO, QUALIFIED RECIPIENTS IN QUALIFIED PROJECT
9 AREAS UNDER THIS SUBTITLE; AND

10 (2) APPOINT, FOR EACH JURISDICTION IN WHICH A QUALIFIED
11 PROJECT AREA IS LOCATED, A LOCAL ADVISORY GROUP CONSISTING OF
12 REPRESENTATIVES OF THE LOCAL GOVERNMENT, LOCAL COMMUNITY GROUPS,
13 FINANCIAL PROFESSIONALS, AND OTHER INDIVIDUALS WITH RELEVANT
14 EXPERIENCE AND EDUCATION TO ASSIST THE SECRETARY IN:

15 (I) IDENTIFYING QUALIFIED RECIPIENTS;

16 (II) ESTABLISHING AND ASSESSING THE FINANCIAL AND
17 OTHER RELEVANT NEEDS OF EACH QUALIFIED PROJECT AREA;

18 (III) EVALUATING REQUESTS FOR TECHNICAL AND
19 FINANCIAL ASSISTANCE UNDER THIS SUBTITLE; AND

20 (IV) MAKING RECOMMENDATIONS TO THE SECRETARY FOR
21 FINANCIAL ASSISTANCE UNDER THIS SUBTITLE TO QUALIFIED RECIPIENTS IN
22 QUALIFIED PROJECT AREAS.

23 **(C) THE SECRETARY SHALL:**

24 (1) APPROVE OR DISAPPROVE EACH REQUEST FOR FINANCIAL
25 ASSISTANCE UNDER THIS SUBTITLE TO A QUALIFIED RECIPIENT IN A QUALIFIED
26 PROJECT AREA; AND

27 (2) PROVIDE THE FINANCIAL ASSISTANCE THROUGH THE LOCAL
28 HOUSING DEPARTMENT OR CORRESPONDING LOCAL AGENCY.

29 (D) IN PROVIDING FINANCIAL ASSISTANCE UNDER THIS SUBTITLE, THE
30 SECRETARY SHALL, TO THE GREATEST EXTENT PRACTICABLE AND CONSISTENT
31 WITH § 6-503(E)(2) OF THIS SUBTITLE, ENSURE THE EQUITABLE DISTRIBUTION
32 AMONG THE COUNTIES OF MONEY FROM THE FUND.

1 **6-505.**

2 **THE SECRETARY SHALL ADOPT REGULATIONS TO IMPLEMENT THIS**
3 **SUBTITLE, INCLUDING:**

4 **(1) CRITERIA FOR CONSIDERATION OF APPLICATIONS FOR**
5 **FINANCIAL ASSISTANCE UNDER THIS SUBTITLE;**

6 **(2) MECHANISMS TO PROVIDE APPROPRIATE COMMUNITY INPUT**
7 **FOR IDENTIFYING AND EVALUATING TRANSIT-ORIENTED DEVELOPMENT**
8 **PROJECT IMPACTS AND QUALIFIED PROJECT AREAS ELIGIBLE FOR ASSISTANCE**
9 **UNDER THIS SUBTITLE; AND**

10 **(3) OVERSIGHT AND EVALUATION OF THE EFFECT OF FINANCIAL**
11 **ASSISTANCE PROVIDED UNDER THIS SUBTITLE IN MITIGATING THE EFFECT OF**
12 **TRANSIT-ORIENTED DEVELOPMENT PROJECTS THAT ARE JOINTLY FUNDED BY**
13 **THE STATE AND THE PRIVATE SECTOR.**

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 July 1, 2009.