

HOUSE BILL 877

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By: **Chair, Environmental Matters Committee (By Request – Departmental – Housing and Community Development) (By Request – Departmental – Planning)**

Introduced and read first time: February 11, 2011

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Sustainable Communities, Designated Neighborhoods, and Priority Funding**
3 **Areas – Miscellaneous Corrections**

4 FOR the purpose of replacing certain obsolete references to “designated
5 neighborhoods” with references to “sustainable communities”; altering a certain
6 definition of “State priority funding area” to exclude certain areas; excluding
7 certain areas from consideration as priority funding areas under certain
8 provisions of law; providing that certain areas that were designated as priority
9 funding areas on or before a certain date shall retain that designation; altering
10 certain definitions; clarifying language; and generally relating to sustainable
11 communities, designated neighborhoods, and priority funding areas.

12 BY repealing and reenacting, without amendments,
13 Article – Economic Development
14 Section 6–301(a)
15 Annotated Code of Maryland
16 (2008 Volume and 2010 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – Economic Development
19 Section 6–301(e) and (f)
20 Annotated Code of Maryland
21 (2008 Volume and 2010 Supplement)

22 BY repealing and reenacting, with amendments,
23 Article – Housing and Community Development
24 Section 4–217(d), 4–1501(e), 4–1503, and 6–405(d)
25 Annotated Code of Maryland
26 (2006 Volume and 2010 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, without amendments,
2 Article – Housing and Community Development
3 Section 4–1501(a)
4 Annotated Code of Maryland
5 (2006 Volume and 2010 Supplement)

6 BY repealing and reenacting, with amendments,
7 Article – State Finance and Procurement
8 Section 5–7B–02
9 Annotated Code of Maryland
10 (2009 Replacement Volume and 2010 Supplement)

11 BY repealing and reenacting, with amendments,
12 Article – Tax – Property
13 Section 9–228(d)
14 Annotated Code of Maryland
15 (2007 Replacement Volume and 2010 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Transportation
18 Section 8–630(c)
19 Annotated Code of Maryland
20 (2008 Replacement Volume and 2010 Supplement)

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

23 **Article – Economic Development**

24 6–301.

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

26 (e) “Revitalization area” means:

27 (1) an enterprise zone designated by the Secretary under § 5–704 of
28 this article;

29 (2) an enterprise zone designated by the United States government
30 under 42 U.S.C. §§ 11501 through 11505;

31 (3) an empowerment zone or enterprise community designated by the
32 United States government under 26 U.S.C. §§ 1391 through 1397F; or

33 (4) a [designated neighborhood] **SUSTAINABLE COMMUNITY**, as
34 defined in § 6–301 of the Housing and Community Development Article.

1 (f) “State priority funding area” means:

2 (1) a municipal corporation;

3 (2) Baltimore City;

4 [(3) a designated neighborhood, as defined in § 6–301 of the Housing
5 and Community Development Article;]

6 [(4) (3) an enterprise zone designated by the Secretary under §
7 5–704 of this article;

8 [(5) (4) an enterprise zone designated by the United States
9 government under 42 U.S.C. §§ 11501 through 11505;

10 [(6) (5) those areas of the State located between Interstate Highway
11 495 and the District of Columbia;

12 [(7) (6) those areas of the State located between Interstate Highway
13 695 and Baltimore City;

14 [(8) (7) no more than one area in a county designated by the county
15 as a priority funding area under § 5–7B–03(c) of the State Finance and Procurement
16 Article; and

17 [(9) (8) that portion of the Port Land Use Development Zone, as
18 defined in § 6–501 of the Transportation Article, that has been designated as an area
19 appropriate for growth in a county comprehensive master plan.

20 **Article – Housing and Community Development**

21 4–217.

22 (d) (1) The Administration shall administer community development
23 projects that:

24 (i) are in [designated neighborhoods] **SUSTAINABLE**
25 **COMMUNITIES** approved under § 6–305 of this article; and

26 (ii) provide employees with financial assistance in the form of
27 grants to buy homes near their workplaces.

28 (2) A community development project administered under this
29 subsection is not subject to the provisions of subsection (b)(1) of this section that
30 require part of the housing to be occupied by families of limited income.

1 (3) The community development projects administered under this
2 subsection shall be known as the “Live Near Your Work” program.

3 (4) The Secretary shall adopt regulations to implement the “Live Near
4 Your Work” program established under this subsection.

5 (5) (i) In fiscal year 2007 and fiscal year 2008, the Governor may
6 include in the State budget \$250,000 for the “Live Near Your Work” program
7 established under this subsection.

8 (ii) In fiscal year 2009 and every fiscal year thereafter, the
9 Governor may include in the State budget no less than \$250,000 and no more than
10 \$500,000 for the “Live Near Your Work” program established under this subsection.

11 4–1501.

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

13 (e) “Office or other commercial space conversion” means the conversion to
14 rental housing of a building that:

15 (1) is in a [designated neighborhood established under §
16 6–304] **SUSTAINABLE COMMUNITY AS DEFINED IN § 6–301** of this article;

17 (2) was built more than 30 years before an application is submitted to
18 the Department to finance the conversion;

19 (3) consists of at least two floors at or above ground level; and

20 (4) was last used as office or other commercial space.

21 4–1503.

22 (a) In this section, “lot consolidation” means acquisition of real property
23 adjacent to, and to be included in, a project.

24 (b) The purposes of the Program are to:

25 (1) increase the supply of decent, safe, and sanitary rental housing for
26 occupancy by families of lower income;

27 (2) provide financial assistance for acquisition, construction, or
28 rehabilitation of rental housing, including demolition and lot consolidation so that
29 families of lower income can afford the rental housing;

30 (3) encourage political subdivisions to provide assistance in producing
31 rental housing that families of lower income can afford; and

1 (4) revitalize [designated neighborhoods] SUSTAINABLE
2 COMMUNITIES, AS DEFINED IN § 6-301 OF THIS ARTICLE, through office or other
3 commercial space conversion.

4 6-405.

5 (d) In approving or disapproving a proposal and in determining the
6 maximum amount of contributions eligible for tax credits under § 6-404 of this
7 subtitle, the Department:

8 (1) shall consider:

9 (i) the need for the project in relation to the need for other
10 proposed projects;

11 (ii) the anticipated benefit to the priority funding area;

12 (iii) the capacity of the applicant to raise money for the project;

13 (iv) the readiness of the applicant to proceed with the project;

14 (v) the ability of the applicant to complete the project as
15 proposed;

16 (vi) the geographic distribution of projects; and

17 (vii) any other relevant factors;

18 (2) may give preference to a proposal that benefits a [designated
19 neighborhood] SUSTAINABLE COMMUNITY under § 6-305 of this title;

20 (3) may request data and assistance from other units of the State; and

21 (4) shall apportion among all approved projects the limit imposed by
22 subsection (c)(3) of this section.

23 Article – State Finance and Procurement

24 5-7B-02.

25 The following areas shall be considered priority funding areas under this
26 subtitle:

27 (1) a municipal corporation, including Baltimore City, except that:

1 (i) those areas annexed by a municipal corporation after
2 January 1, 1997 but before October 1, 2006 shall satisfy requirements relating to
3 density and service by water and sewer set forth in § 5-7B-03 of this subtitle; and

4 (ii) those areas annexed by a municipal corporation after
5 September 30, 2006, shall satisfy all of the requirements set forth in § 5-7B-03 of this
6 subtitle;

7 [(2) a designated neighborhood, as defined in § 6-301 of the Housing
8 and Community Development Article;]

9 [(3) (2) an enterprise zone as designated under Title 5, Subtitle 7 of
10 the Economic Development Article, or by the United States government;

11 [(4) (3) a certified heritage area as defined in §§ 13-1101 and
12 13-1111 of the Financial Institutions Article that is located within a locally designated
13 growth area;

14 [(5) (4) those areas of the State located between Interstate Highway
15 495 and the District of Columbia;

16 [(6) (5) those areas of the State located between Interstate Highway
17 695 and Baltimore City; and

18 [(7) (6) an area designated by the governing body of a county or
19 municipal corporation under § 5-7B-03 of this subtitle.

20 **Article – Tax – Property**

21 9-228.

22 (d) The Mayor and City Council of Baltimore City or the governing body of a
23 county or municipal corporation may designate an area within the county or municipal
24 corporation as an area eligible for the tax credit under this section if the area is
25 eligible for designation as a [designated neighborhood] **SUSTAINABLE COMMUNITY**
26 under the Neighborhood Business Development Program created under Title 6,
27 Subtitle 3 of the Housing and Community Development Article.

28 **Article – Transportation**

29 8-630.

30 (c) (1) If sidewalks or bicycle pathways are constructed or reconstructed
31 as part of a roadway construction or reconstruction project, the Administration shall
32 fund the sidewalk or bicycle pathway construction or reconstruction as a part of the
33 cost of the roadway project.

1 (2) Except as provided in paragraphs (3) and (4) of this subsection, if
2 sidewalks or bicycle pathways are constructed or reconstructed in response to a
3 request from a local government and the adjacent roadway is not being concurrently
4 constructed or reconstructed, the cost to construct or reconstruct the sidewalk or
5 bicycle pathway shall be shared equally between the State and local governments.

6 (3) If sidewalks or bicycle pathways within a [designated
7 neighborhood] **SUSTAINABLE COMMUNITY** as defined in § 6–301 of the Housing and
8 Community Development Article are constructed or reconstructed in response to a
9 request from a local government and the adjacent roadway is not being concurrently
10 constructed or reconstructed, the cost to construct or reconstruct the sidewalk or
11 bicycle pathway may be funded entirely by the State.

12 (4) (i) This paragraph does not apply to a priority funding area
13 that is a [designated neighborhood] **SUSTAINABLE COMMUNITY** as defined in §
14 6–301 of the Housing and Community Development Article.

15 (ii) If sidewalks or bicycle pathways within an area designated
16 as a priority funding area under § 5–7B–02 of the State Finance and Procurement
17 Article are constructed or reconstructed in response to a request from a local
18 government and the adjacent roadway is not being concurrently constructed or
19 reconstructed, and if the Administration determines that construction would not occur
20 under this section due to insufficient contribution of funds by the local government,
21 the cost to construct or reconstruct the sidewalk or bicycle pathway shall be shared
22 between the State and local government as follows:

- 23 1. 75 percent of the cost shall be funded by the State;
24 and
25 2. 25 percent of the cost shall be funded by the local
26 government.

27 (iii) If sidewalks or bicycle pathways within an area designated
28 as a priority funding area under § 5–7B–02 of the State Finance and Procurement
29 Article are constructed or reconstructed based on a determination by the
30 Administration that a substantial public safety risk or significant impediment to
31 pedestrian access exists and the adjacent roadway is not being concurrently
32 constructed or reconstructed, then:

33 1. The Administration shall categorize the sidewalk or
34 bicycle pathway construction project as “system preservation” and give corresponding
35 funding priority to the project; and

36 2. The cost to construct or reconstruct the sidewalk or
37 bicycle pathway may be funded entirely by the State.

1 (5) If sidewalks or bicycle pathways are being constructed or
2 reconstructed in response to a request from a local government and the adjacent
3 roadway is not being concurrently constructed or reconstructed, the local government
4 shall:

5 (i) Provide public notice and opportunities for community
6 involvement prior to the construction of a sidewalk or bicycle pathway project; and

7 (ii) Secure any necessary right-of-way that may be needed
8 beyond the right-of-way already owned by the State.

9 (6) (i) Except as provided in subparagraph (ii) of this paragraph,
10 after sidewalks and bicycle pathways are constructed under this section, they shall be
11 maintained and repaired by the political subdivision in which they are located.

12 (ii) Subject to approval and the availability of funds, the
13 Administration promptly shall reimburse a political subdivision for the preapproved
14 and documented costs incurred in reconstructing a segment of a sidewalk or bicycle
15 pathway that has deteriorated to the extent that repair is not practical or desirable for
16 public safety.

17 SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any
18 other provision of law, a “designated neighborhood” that was designated as a Priority
19 Funding Area under § 5-7B-02(3) of the State Finance and Procurement Article on or
20 before January 1, 2010, shall retain its designation as a Priority Funding Area.

21 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 June 1, 2011.