

Chapter 145

(House Bill 877)

AN ACT concerning

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

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

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

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

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

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

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 5–7B–02

Annotated Code of Maryland
(2009 Replacement Volume and 2010 Supplement)

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

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

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

Article – Economic Development

6–301.

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

(e) “Revitalization area” means:

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

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

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

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

(f) “State priority funding area” means:

(1) a municipal corporation;

(2) Baltimore City;

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

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

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

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

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

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

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

Article – Housing and Community Development

4–217.

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

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

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

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

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

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

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

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

4–1501.

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

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

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

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

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

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

4–1503.

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

(b) The purposes of the Program are to:

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

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

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

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

6-405.

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

- (1) shall consider:
 - (i) the need for the project in relation to the need for other proposed projects;
 - (ii) the anticipated benefit to the priority funding area;
 - (iii) the capacity of the applicant to raise money for the project;
 - (iv) the readiness of the applicant to proceed with the project;
 - (v) the ability of the applicant to complete the project as proposed;
 - (vi) the geographic distribution of projects; and
 - (vii) any other relevant factors;
- (2) may give preference to a proposal that benefits a [designated neighborhood] SUSTAINABLE COMMUNITY under § 6-305 of this title;
- (3) may request data and assistance from other units of the State; and
- (4) shall apportion among all approved projects the limit imposed by subsection (c)(3) of this section.

Article – State Finance and Procurement

5-7B-02.

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

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

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

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

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

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

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

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

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

Article – Tax – Property

9-228.

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

Article – Transportation

8-630.

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

(2) Except as provided in paragraphs (3) and (4) of this subsection, if sidewalks or bicycle pathways are constructed or reconstructed in response to a

request from a local government and the adjacent roadway is not being concurrently constructed or reconstructed, the cost to construct or reconstruct the sidewalk or bicycle pathway shall be shared equally between the State and local governments.

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

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

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

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

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

1. The Administration shall categorize the sidewalk or bicycle pathway construction project as “system preservation” and give corresponding funding priority to the project; and
2. The cost to construct or reconstruct the sidewalk or bicycle pathway may be funded entirely by the State.

(5) If sidewalks or bicycle pathways are being constructed or reconstructed in response to a request from a local government and the adjacent

roadway is not being concurrently constructed or reconstructed, the local government shall:

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

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

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

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

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

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

Approved by the Governor, April 12, 2011.