

Department of Legislative Services  
Maryland General Assembly  
2011 Session

FISCAL AND POLICY NOTE

Senate Bill 893 (Senator Madaleno)  
Budget and Taxation

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Maryland Consolidated Capital Bond Loan of 2009 - Montgomery County -  
LEDC Facility

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This bill extends the deadline to June 1, 2013, for the Board of Directors of the Latino Economic Development Corporation (LEDC), as the grantee, to present evidence of the existence of a matching fund for the LEDC Facility project, as specified by the Maryland Consolidated Capital Bond Loan of 2009. The proceeds of the loan must be encumbered by the Board of Public Works or expended by the grantee by June 1, 2013.

The bill takes effect June 1, 2011.

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Fiscal Summary

**State Effect:** The bill does not directly affect governmental operations or finances.

**Local Effect:** The bill does not directly affect the finances or operations of Montgomery County.

**Small Business Effect:** None.

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Analysis

**Current Law:** Chapter 485 of 2009 authorized up to \$175,000 in matching funds to the Board of Directors of LEDC for the acquisition, design, renovation, and capital equipping of a facility for LEDC, located in Wheaton. Matching funds may consist of in-kind contributions or funds expended prior to the June 1, 2009 effective date of Chapter 485. Matching funds may not consist of real property.

**Background:** LEDC is a nonprofit corporation that was founded in Washington, DC in 1991; LEDC has operated a satellite office in Wheaton since 2006. LEDC's mission is to improve the wealth-building capacity of the low-to-moderate income Latino community and other underserved communities in the Washington, DC, metropolitan area.

In 2008, LEDC signed a five-year lease-to-own agreement for a 2,400 square-foot property in the Wheaton Commercial Business District. The building will serve as the LEDC facility and will include classroom space, a computer lab, an alternative financial services center, and office space for LEDC's managing director, loan officer, outreach manager, and housing counselors.

The organization surveyed residents of the Wheaton area to understand what services in the community are most needed or desired so that the LEDC facility, when constructed, may best serve the needs of community residents. Based on the survey results, the LEDC facility is also likely to include a credit union, a commercial kitchen, and a small business incubator.

The grantee advises that the project is still in the planning and design phase, but steps have been taken to identify a funding source and raise the matching funds. The grantee recently completed a feasibility study to estimate the amount of donations that may be raised by the organization during a capital campaign. According to the grantee, the implementation of the organization's capital campaign was delayed due to the economic recession.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Latino Economic Development Corporation, Montgomery County, Department of General Services, Department of Legislative Services

**Fiscal Note History:** First Reader - March 15, 2011  
ncs/ljm

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