

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1651

(Delegate Wilkins)

Environment and Transportation

Education, Health, and Environmental Affairs

Sustainable Communities – Designation

This bill expands the criteria upon which a sustainable community designation may be based. Under the bill, the Smart Growth Subcabinet may designate an area as a sustainable community based on (1) the proposed sustainable community plan addressing the need for affordable housing, including the need for low- and moderate-income housing, and (2) the existing criteria applicable to every application for a sustainable community designation – the sponsor demonstrating that past and current trends in homeownership, property values, commercial and residential vacancy, and business or housing investment show a need for reinvestment in the area.

Fiscal Summary

State Effect: The bill is not expected to directly affect State finances.

Local Effect: The bill is not expected to directly affect local government finances.

Small Business Effect: None.

Analysis

Current Law/Background: The Smart Growth Subcabinet, on the recommendation of the Secretary of Housing and Community Development, may designate an area as a sustainable community if the sponsor (which can be a political subdivision, a group of political subdivisions, a community development organization, or a community development financial institution) of the proposed sustainable community plan demonstrates that past and current trends in homeownership, property values, commercial

and residential vacancy, and business or housing investment show a need for reinvestment in the area and if:

- entities in the community, such as local governments, employers, educational institutions, civic organizations, community organizations, or cultural organizations, support the proposed sustainable community plan and have pledged resources to develop or implement it;
- the proposed sustainable community plan addresses the need for reinvestment in the area and will enhance the area and give individuals of different incomes a range of housing options, employment opportunities, and other amenities;
- a community in the proposed area is culturally or historically significant;
- the proposed area is near a town center or a transportation center;
- the proposed sustainable community plan is consistent with and complements other existing or proposed projects for housing, commercial or community development, education, historic preservation, neighborhood revitalization, transportation, or other things significant to the comprehensive enhancement of the community; or
- there is a demonstrated need for financing assistance for small businesses, nonprofit organizations, or microenterprises.

To maintain a sustainable community designation, every five years a sponsor must file an updated sustainable community plan and application with the Department of Housing and Community Development (DHCD) and the Secretary of Housing and Community Development makes a recommendation for approval by the Smart Growth Subcabinet. The Smart Growth Subcabinet may redesignate an area as a sustainable community taking into consideration the factors above.

DHCD describes the Sustainable Communities Program as a place-based designation offering a comprehensive package of resources that support holistic strategies for community development, revitalization, and sustainability. Various State agencies have contributed to the creation of a “revitalization toolbox,” which provides sustainable communities access to a collection of financing programs and tax credit incentives.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Housing and Community Development;
Anne Arundel, Garrett, and Montgomery counties; Maryland Association of Counties;
Department of Legislative Services

Fiscal Note History: First Reader - March 4, 2018
mm/lgc Third Reader - March 30, 2018
Revised - Amendment(s) - March 30, 2018
Revised - Clarification - March 30, 2018

Analysis by: Scott D. Kennedy

Direct Inquiries to:
(410) 946-5510
(301) 970-5510