

HOUSE BILL 1266

C2

9lr1641
CF SB 754

By: **Delegates Washington, B. Barnes, Charles, D.E. Davis, Fennell, W. Fisher, Gaines, Healey, Ivey, Jackson, Jones, Korman, Proctor, ~~and Turner~~ Turner, and Valentino-Smith**

Introduced and read first time: February 8, 2019

Assigned to: Appropriations and Environment and Transportation

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 12, 2019

CHAPTER _____

1 AN ACT concerning

2 **National Capital Strategic Economic Development Program – Established**

3 FOR the purpose of establishing the National Capital Strategic Economic Development
4 Program; providing for the administration and purpose of the Program; establishing
5 the type of community enhancement projects eligible to receive Program funds;
6 authorizing certain ~~housing authorities~~ government agencies, including housing
7 authorities and certain community development organizations to apply to receive
8 Program funds; requiring an eligible institution's application to contain certain
9 information; providing that community enhancement projects may be located in
10 more than one political subdivision; requiring the Department of Housing and
11 Community Development to establish a certain quantitative system to evaluate each
12 application; providing for the review of each application; requiring certain
13 notification to certain political subdivisions before an application may be approved;
14 requiring the Department and the recipient of Program funds to enter into a certain
15 agreement; authorizing the Department to exercise certain powers necessary to
16 implement the Program and determine certain terms and conditions of the financial
17 assistance; requiring the recipient of financial assistance from the Program to
18 submit a certain quarterly progress report; altering the purpose and use of the
19 National Capital Strategic Economic Development Fund; requiring the Governor, in
20 certain fiscal years, to include certain appropriations in the annual operating budget
21 to the Fund; requiring the Governor, in certain fiscal years, to include certain
22 appropriations in the annual operating or capital budget ~~bill~~ for the Fund; defining

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 certain terms; and generally relating to the establishment of the National Capital
2 Strategic Economic Development Program.

3 BY renumbering
4 Article – Housing and Community Development
5 Section 4–510
6 to be Section 6–710
7 Annotated Code of Maryland
8 (2006 Volume and 2018 Supplement)

9 BY adding to
10 Article – Housing and Community Development
11 Section 6–701 through 6–709 to be under the new subtitle “Subtitle 7. National
12 Capital Strategic Economic Development Program”
13 Annotated Code of Maryland
14 (2006 Volume and 2018 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Housing and Community Development
17 Section 6–710
18 Annotated Code of Maryland
19 (2006 Volume and 2018 Supplement)
20 (As enacted by Section 1 of this Act)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
22 That Section(s) 4–510 of Article – Housing and Community Development of the Annotated
23 Code of Maryland be renumbered to be Section(s) 6–710.

24 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
25 as follows:

26 **Article – Housing and Community Development**

27 **SUBTITLE 7. NATIONAL CAPITAL STRATEGIC ECONOMIC DEVELOPMENT**
28 **PROGRAM.**

29 **6–701.**

30 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
31 INDICATED.

32 (B) “COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION” HAS THE
33 MEANING STATED IN 12 U.S.C. § 4702.

34 (C) “COMMUNITY DEVELOPMENT ORGANIZATION” MEANS AN ENTITY THAT
35 MEETS THE REQUIREMENTS UNDER § 6–704 OF THIS SUBTITLE.

1 (D) (1) "FINANCIAL ASSISTANCE" MEANS A GRANT, A LOAN, OR AN
2 INVESTMENT PROVIDED UNDER THIS SUBTITLE.

3 (2) "FINANCIAL ASSISTANCE" INCLUDES:

4 (I) AN ASSURANCE;

5 (II) A GUARANTEE;

6 (III) A PREPAYMENT OF INTEREST ON A SUBORDINATE OR
7 SUPERIOR LOAN OR PORTION OF A LOAN;

8 (IV) A REDUCTION IN THE PRINCIPAL OBLIGATION OF OR RATE
9 OF INTEREST PAYABLE ON A LOAN OR A PORTION OF A LOAN; AND

10 (V) ANY OTHER FORM OF CREDIT ENHANCEMENT.

11 (E) "NATIONAL CAPITAL REGION" MEANS ~~THE AREA CONTAINING~~
12 ~~MONTGOMERY COUNTY AND PRINCE GEORGE'S COUNTY~~ THE AREAS OF THE STATE
13 LOCATED WITHIN:

14 (1) THE BOUNDARY CREATED BY INTERSTATE 495 IN THE STATE AND
15 THE DISTRICT OF COLUMBIA; AND

16 (2) ANY QUALIFIED OPPORTUNITY ZONE DESIGNATED UNDER §
17 1400Z-1 OF THE INTERNAL REVENUE CODE IN MONTGOMERY COUNTY OR PRINCE
18 GEORGE'S COUNTY.

19 (F) "PROGRAM" MEANS THE NATIONAL CAPITAL STRATEGIC ECONOMIC
20 DEVELOPMENT PROGRAM.

21 (G) "SUSTAINABLE COMMUNITY" MEANS AN AREA DESIGNATED AS A
22 SUSTAINABLE COMMUNITY UNDER § 6-205 OF THIS TITLE.

23 6-702.

24 (A) THERE IS A NATIONAL CAPITAL STRATEGIC ECONOMIC DEVELOPMENT
25 PROGRAM.

26 (B) THE DEPARTMENT SHALL ADMINISTER THE PROGRAM.

27 (C) THE PURPOSE OF THE PROGRAM IS TO:

1 **(1) PROVIDE STRATEGIC INVESTMENT IN LOCAL HOUSING AND**
2 **BUSINESSES TO ENCOURAGE HEALTHY, SUSTAINABLE COMMUNITIES WITH A**
3 **GROWING TAX BASE AND ENHANCED QUALITY OF LIFE; AND**

4 **(2) FOCUS ON AREAS WHERE MODEST INVESTMENT AND**
5 **COORDINATED STRATEGIES WILL HAVE AN APPRECIABLE NEIGHBORHOOD**
6 **REVITALIZATION IMPACT.**

7 **6-703.**

8 **(A) THE COMMUNITY ENHANCEMENT PROJECTS ELIGIBLE TO RECEIVE**
9 **PROGRAM FUNDS INCLUDE:**

10 **(1) DOWN PAYMENT ASSISTANCE FOR HOMEBUYERS TO PURCHASE**
11 **AND REHABILITATE HOMES;**

12 **(2) PROGRAMS TO ACQUIRE OR REHABILITATE VACANT OR BLIGHTED**
13 **PROPERTIES;**

14 **(3) PROGRAMS TO IMPROVE EXISTING RESIDENTIAL AND BUSINESS**
15 **PROPERTIES;**

16 **(4) PROGRAMS TO ACHIEVE ENERGY EFFICIENCY THROUGH**
17 **WEATHERIZATION AND ENERGY RETROFITS;**

18 **(5) DEVELOPMENT OF AFFORDABLE HOUSING;**

19 **(6) DEVELOPMENT OF MIXED-USE PROJECTS THAT COMBINE**
20 **HOUSING, RETAIL, AND OFFICE SPACE;**

21 **(7) DEVELOPMENT OR ENHANCEMENT OF COMMUNITY OPEN SPACE**
22 **OR PUBLIC INFRASTRUCTURE;**

23 **(8) WORKFORCE AND EMPLOYMENT DEVELOPMENT PROGRAMS; AND**

24 **(9) STRATEGIC DEMOLITION.**

25 **(B) PROGRAM FUNDS MAY BE USED FOR OPERATING COSTS NECESSARY TO**
26 **IMPLEMENT A COMMUNITY ENHANCEMENT PROJECT.**

27 **(C) THE SECRETARY MAY ESTABLISH ADDITIONAL COMMUNITY**
28 **ENHANCEMENT PROJECTS ELIGIBLE TO RECEIVE PROGRAM FUNDS.**

29 **6-704.**

1 (A) (1) A ~~HOUSING AUTHORITY LOCATED~~ GOVERNMENT AGENCY,
2 INCLUDING A HOUSING AUTHORITY, WITH JURISDICTION IN THE NATIONAL CAPITAL
3 REGION, AN ENTITY CONTROLLED DIRECTLY OR INDIRECTLY BY A HOUSING
4 AUTHORITY THAT OPERATES IN THE NATIONAL CAPITAL REGION, AND, SUBJECT TO
5 PARAGRAPH (2) OF THIS SUBSECTION, A COMMUNITY DEVELOPMENT
6 ORGANIZATION ARE ELIGIBLE TO APPLY FOR PROGRAM FUNDS.

7 (2) A CORPORATION, A FOUNDATION, OR ANY OTHER LEGAL ENTITY
8 IS A COMMUNITY DEVELOPMENT ORGANIZATION ELIGIBLE TO APPLY FOR PROGRAM
9 FUNDS IF:

10 (I) THE PURPOSE OF THE ORGANIZATION IS TO IMPLEMENT A
11 CLEAR REVITALIZATION STRATEGY IN A NEIGHBORHOOD OR SET OF
12 NEIGHBORHOODS WITHIN THE NATIONAL CAPITAL REGION ~~OR THE~~
13 ~~INNER-BELTWAY COMMUNITIES OF MONTGOMERY COUNTY AND PRINCE GEORGE'S~~
14 ~~COUNTY;~~ AND

15 (II) NO PART OF THE ORGANIZATION'S NET EARNINGS INURES
16 TO THE BENEFIT OF A PRIVATE SHAREHOLDER OR AN INDIVIDUAL HOLDING AN
17 INTEREST IN THE ENTITY.

18 (B) THE ELIGIBLE INSTITUTION'S APPLICATION MUST CONTAIN A
19 NEIGHBORHOOD REVITALIZATION PLAN THAT INCLUDES COMMUNITY
20 ENHANCEMENT PROJECTS LOCATED WITHIN A SUSTAINABLE COMMUNITY.

21 (C) AN ELIGIBLE INSTITUTION MAY APPLY WITH ANOTHER ELIGIBLE
22 INSTITUTION OR WITH A COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION THAT
23 HAS THE CAPACITY AND EXPERIENCE TO ASSIST IN THE FINANCING OF REAL ESTATE
24 PROJECTS WITHIN THE COMMUNITY.

25 (D) THE COMMUNITY ENHANCEMENT PROJECTS FOR WHICH AN ELIGIBLE
26 INSTITUTION APPLIES FOR PROGRAM FUNDS MAY BE LOCATED IN MORE THAN ONE
27 POLITICAL SUBDIVISION.

28 **6-705.**

29 (A) (1) A ~~HOUSING AUTHORITY LOCATED~~ GOVERNMENT AGENCY,
30 INCLUDING A HOUSING AUTHORITY, WITH JURISDICTION IN THE NATIONAL CAPITAL
31 REGION, AN ENTITY CONTROLLED DIRECTLY OR INDIRECTLY BY A HOUSING
32 AUTHORITY THAT OPERATES IN THE NATIONAL CAPITAL REGION, AND A
33 COMMUNITY DEVELOPMENT ORGANIZATION MAY APPLY TO THE DEPARTMENT TO
34 RECEIVE PROGRAM FUNDS FOR COMMUNITY ENHANCEMENT PROJECTS.

1 **(2) THE DEPARTMENT SHALL ESTABLISH THE APPLICATION**
2 **PROCESS.**

3 **(3) THE APPLICATION SHALL CONTAIN:**

4 **(I) THE NEIGHBORHOOD REVITALIZATION PLAN;**

5 **(II) A DESCRIPTION OF EACH COMMUNITY ENHANCEMENT**
6 **PROJECT;**

7 **(III) ORGANIZATIONAL DOCUMENTS FOR THE COMMUNITY**
8 **DEVELOPMENT ORGANIZATION; AND**

9 **(IV) ANY OTHER INFORMATION THE DEPARTMENT REQUIRES.**

10 **(B) (1) THE DEPARTMENT, BY REGULATION, SHALL ESTABLISH A**
11 **QUANTITATIVE SYSTEM TO EVALUATE EACH APPLICATION.**

12 **(2) THE QUANTITATIVE EVALUATION SYSTEM SHALL EVALUATE EACH**
13 **APPLICATION BASED ON:**

14 **(I) THE NEIGHBORHOOD REVITALIZATION PLAN AND HOW THE**
15 **PLAN RELATES TO THE GOALS OUTLINED IN THE COMMUNITY'S LARGER**
16 **SUSTAINABLE COMMUNITIES PLAN;**

17 **(II) THE DESCRIPTION OF THE COMMUNITY CONDITIONS AND**
18 **THE APPROPRIATENESS OF OUTLINED STRATEGIES TO ADDRESS THOSE**
19 **CONDITIONS;**

20 **(III) THE ABILITY OF EACH PROPOSED COMMUNITY**
21 **ENHANCEMENT PROJECT TO ADDRESS IDENTIFIED CHALLENGES WITHIN THE**
22 **COMMUNITY; AND**

23 **(IV) THE CAPACITY AND EXPERIENCE OF THE APPLICANT AND**
24 **THE APPLICANT'S PARTNERS TO COMPLETE THE PROPOSALS AND LEVERAGE**
25 **ADDITIONAL FINANCING.**

26 **(C) THE DEPARTMENT MAY GIVE ADDITIONAL CONSIDERATION TO**
27 **APPLICATIONS THAT INCLUDE:**

28 **(1) OPPORTUNITIES THAT PROMOTE COMPACT REDEVELOPMENT**
29 **AND CONNECT HOUSING AND JOB OPPORTUNITIES WITH TRANSPORTATION**
30 **OPTIONS;**

1 **(2) ACTIVITIES IN SPECIALLY DESIGNATED DISTRICTS THAT**
2 **ENCOURAGE RESIDENTIAL REINVESTMENT THAT REINFORCES THE SUCCESS OF THE**
3 **BUSINESSES IN THE DISTRICTS;**

4 **(3) COMMUNITY ENHANCEMENT PROJECTS THAT ENCOURAGE OR**
5 **INCORPORATE ELEMENTS THAT ADDRESS ENVIRONMENTAL RESPONSIBILITY AND**
6 **STEWARDSHIP INTO THE SITE AND PROJECT DEVELOPMENT, DESIGN, AND**
7 **CONSTRUCTION;**

8 **(4) COMMUNITY ENHANCEMENT PROJECTS THAT INCORPORATE**
9 **ADDITIONAL STATE AND LOCAL REVITALIZATION AND SMART GROWTH PROGRAMS**
10 **AND FINANCING TOOLS;**

11 **(5) CAPITAL INVESTMENTS AND BUSINESS PRACTICES THAT**
12 **INCORPORATE INCLUSIONARY HIRING PRACTICES THAT INCREASE LOCAL**
13 **WORKFORCE OPPORTUNITIES; AND**

14 **(6) PROJECTS WHOSE PURPOSE IS TO IDENTIFY FOR ACQUISITION,**
15 **ACQUIRE, DEVELOP, OR PROMOTE THE DEVELOPMENT OF VACANT OR BLIGHTED**
16 **PROPERTIES.**

17 **6-706.**

18 **(A) THE DEPARTMENT SHALL:**

19 **(1) REVIEW EACH APPLICATION SUBMITTED UNDER § 6-705 OF THIS**
20 **SUBTITLE AND MAY REQUEST ADDITIONAL INFORMATION FROM THE APPLICANT;**

21 **(2) ACCEPT PUBLIC INPUT ON EACH APPLICATION; AND**

22 **(3) CONSIDER THE RECOMMENDATION OF ANY STATE UNIT.**

23 **(B) (1) THE DEPARTMENT MAY NOT APPROVE AN APPLICATION UNTIL**
24 **THE DEPARTMENT HAS PROVIDED WRITTEN NOTICE AND A REASONABLE**
25 **OPPORTUNITY TO COMMENT TO THE POLITICAL SUBDIVISION WHERE THE**
26 **PROPOSED COMMUNITY ENHANCEMENT PROJECT IS LOCATED.**

27 **(2) IF THE APPLICATION AFFECTS A NEIGHBORHOOD ENTIRELY**
28 **WITHIN A MUNICIPAL CORPORATION, THE DEPARTMENT MUST PROVIDE NOTICE**
29 **AND A REASONABLE OPPORTUNITY TO COMMENT TO THE MUNICIPAL CORPORATION**
30 **AND NOT THE SURROUNDING COUNTY.**

1 **(3) IF AN APPLICATION AFFECTS A NEIGHBORHOOD WITHIN MORE**
2 **THAN ONE POLITICAL SUBDIVISION, THE DEPARTMENT MUST PROVIDE NOTICE AND**
3 **A REASONABLE OPPORTUNITY TO COMMENT TO EACH POLITICAL SUBDIVISION.**

4 **(C) THE SECRETARY SHALL, SUBJECT TO SUBSECTION (B) OF THIS**
5 **SECTION, AWARD FINANCIAL ASSISTANCE TO AN APPLICANT:**

6 **(1) IN THE AMOUNT AND OF THE TYPE THAT THE SECRETARY**
7 **DETERMINES; AND**

8 **(2) UNDER THE TERMS OF A PROGRAM AGREEMENT.**

9 **6-707.**

10 **(A) THE DEPARTMENT AND A RECIPIENT OF FINANCIAL ASSISTANCE FROM**
11 **THE PROGRAM SHALL EXECUTE A PROGRAM AGREEMENT.**

12 **(B) THE RECIPIENT OF FINANCIAL ASSISTANCE FROM THE PROGRAM**
13 **SHALL COMPLY WITH THE TERMS OF THE PROGRAM AGREEMENT.**

14 **(C) THE PROGRAM AGREEMENT MAY NOT ALLOW FOR MORE THAN 40% OF**
15 **THE TOTAL FINANCIAL ASSISTANCE THAT THE PROGRAM PROVIDES TO BE USED FOR**
16 **OPERATING EXPENDITURES.**

17 **(D) THE DEPARTMENT MAY EXERCISE ANY REMEDY PROVIDED UNDER THE**
18 **PROGRAM AGREEMENT OR BY LAW IF THE RECIPIENT OF FINANCIAL ASSISTANCE**
19 **FROM THE PROGRAM:**

20 **(1) VIOLATES ANY PROVISION OF THE AGREEMENT; OR**

21 **(2) CEASES TO MEET ANY REQUIREMENT OF THIS SUBTITLE.**

22 **6-708.**

23 **(A) THE DEPARTMENT HAS THE POWERS NECESSARY TO IMPLEMENT THE**
24 **PROGRAM.**

25 **(B) (1) THE DEPARTMENT MAY DETERMINE THE TERMS AND**
26 **CONDITIONS FOR OR ESTABLISH TIME LIMITS FOR THE USE OF FINANCIAL**
27 **ASSISTANCE AWARDED UNDER THIS SUBTITLE.**

28 **(2) THE FINANCIAL ASSISTANCE AWARDED UNDER THIS SUBTITLE**
29 **MAY BE SECURED BY A MORTGAGE, A LIEN, OR ANY OTHER SECURITY INTEREST**

1 THAT IS SUPERIOR TO OR SUBORDINATE TO OTHER MORTGAGES, LIENS, OR OTHER
2 SECURITY INTERESTS.

3 (C) (1) THE DEPARTMENT MAY, SUBJECT TO ANY LIMITS IMPOSED BY
4 LAW, ENFORCE THE TERMS AND CONDITIONS OF THE FINANCIAL ASSISTANCE
5 AWARDED UNDER THIS SUBTITLE.

6 (2) IF ANY FINANCIAL ASSISTANCE AWARDED UNDER THIS SUBTITLE
7 IS SECURED BY A FIRST OR SUBORDINATE MORTGAGE OR OTHER LIEN, THE
8 DEPARTMENT MAY, SUBJECT TO ANY LIMITS IMPOSED BY LAW:

9 (I) BEGIN AN ACTION TO PROTECT OR ENFORCE ANY RIGHT
10 GIVEN BY LAW, CONTRACT, OR OTHER AGREEMENT;

11 (II) FORECLOSE ON PROPERTY;

12 (III) PURCHASE PROPERTY AT ANY FORECLOSURE OR OTHER
13 SALE, OR ACQUIRE OR TAKE POSSESSION OF THE PROPERTY THROUGH
14 CONVEYANCE IN LIEU OF FORECLOSURE OR OTHERWISE, AND CONVEY PROPERTY
15 AFTER ACQUIRING IT;

16 (IV) SETTLE OR COMPROMISE ANY DEBT OR OBLIGATION OWED
17 TO THE DEPARTMENT;

18 (V) PAY THE PRINCIPAL OF AND INTEREST ON ANY OBLIGATION
19 INCURRED IN CONNECTION WITH THE PROPERTY AND DISPOSE OF OR OTHERWISE
20 DEAL WITH THE PROPERTY TO PROTECT THE INTERESTS OF THE PROGRAM; OR

21 (VI) RELEASE OR SELL ANY MORTGAGE, OBLIGATION, OR
22 PROPERTY THAT THE DEPARTMENT HOLDS AT PUBLIC OR PRIVATE SALE, WITH OR
23 WITHOUT PUBLIC BIDDING.

24 (D) (1) THE DEPARTMENT MAY CONTRACT WITH ANY PERSON OR
25 GOVERNMENTAL UNIT FOR PROPERTY OR SERVICES NECESSARY TO OPERATE THE
26 PROGRAM.

27 (2) THE DEPARTMENT MAY CONTRACT FOR AND ACCEPT ANY GRANT,
28 CONTRIBUTION, OR LOAN OF MONEY, PROPERTY, OR OTHER AID FROM THE
29 FEDERAL GOVERNMENT AND MAY DO ALL THINGS CONSISTENT WITH THIS SUBTITLE
30 TO QUALIFY FOR THE AID.

31 (E) IN CONNECTION WITH ANY LOANS THAT THE DEPARTMENT MAKES, THE
32 DEPARTMENT MAY:

1 **(1) REQUIRE AND OBTAIN APPRAISALS, CREDIT INFORMATION, AND**
2 **OTHER PERTINENT INFORMATION; AND**

3 **(2) CHARGE INTEREST.**

4 **(F) THE DEPARTMENT MAY CONSENT TO THE MODIFICATION OF ANY**
5 **PROVISION OF A PROGRAM AGREEMENT IF THE MODIFICATION IS IN THE BEST**
6 **INTEREST OF THE PROGRAM.**

7 **6-709.**

8 **(A) THE RECIPIENT OF FINANCIAL ASSISTANCE FROM THE PROGRAM**
9 **SHALL SUBMIT TO THE DEPARTMENT QUARTERLY PROGRESS REPORTS ON THE**
10 **DEVELOPMENT OF A COMMUNITY ENHANCEMENT PROJECT.**

11 **(B) (1) ON OR BEFORE OCTOBER 31 EACH YEAR, THE DEPARTMENT**
12 **SHALL SUBMIT A REPORT TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE**
13 **STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.**

14 **(2) THE REPORT SHALL INCLUDE, FOR THE PREVIOUS FISCAL YEAR:**

15 **(I) THE NUMBER OF APPLICATIONS RECEIVED;**

16 **(II) THE NUMBER AND LOCATION OF COMMUNITY**
17 **ENHANCEMENT PROJECTS;**

18 **(III) THE FINANCIAL STATUS OF THE PROGRAM, INCLUDING THE**
19 **AMOUNT AND TYPES OF FINANCIAL ASSISTANCE ENCUMBERED AND DISBURSED;**
20 **AND**

21 **(IV) A SUMMARY OF THE QUARTERLY REPORTS SUBMITTED**
22 **UNDER SUBSECTION (A) OF THIS SECTION.**

23 **6-710.**

24 **(a) In this section, "Fund" means the National Capital Strategic Economic**
25 **Development Fund.**

26 **(b) There is a National Capital Strategic Economic Development Fund.**

27 **(c) The purpose of the Fund is to provide [grants to assist in predevelopment**
28 **activities for commercial and residential development, including site acquisition, land**
29 **assembly, architecture and engineering, and site development for revitalization in**
30 **designated areas of the State] FINANCIAL ASSISTANCE UNDER THE PROGRAM.**

1 (d) The Department shall administer the Fund.

2 (e) (1) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of
3 the State Finance and Procurement Article.

4 (2) The State Treasurer shall hold the Fund separately, and the
5 Comptroller shall account for the Fund.

6 (f) The Fund consists of:

7 (1) money appropriated in the State budget to the Fund;

8 (2) interest earnings of the Fund; and

9 (3) any other money from any other source accepted for the benefit of the
10 Fund.

11 (g) [(1) (i)] The Fund may be used only [to provide grants to government
12 agencies and nonprofit community development organizations for commercial or residential
13 development projects for site acquisition, land assembly, architecture and engineering, and
14 site development for revitalization in an area designated as a Sustainable Community.

15 (ii) Commercial and residential development projects include:

16 1. renovation and rehabilitation of single family homes;

17 2. acquisition and rehabilitation of vacant homes for resale
18 to new homebuyers;

19 3. improvements to business properties;

20 4. enhancement of community open space or public
21 infrastructure; and

22 5. workforce and employment development programs.

23 (2) (i) For fiscal year 2019 and each fiscal year thereafter, to be eligible
24 for a grant from the Fund, a government agency or nonprofit community development
25 organization shall provide evidence of a matching fund that is equal to \$1 for every \$4 in
26 State funding that the agency or organization is applying for from the Fund.

27 (ii) The matching fund required under subparagraph (i) of this
28 paragraph may include:

29 1. money from the federal government, local government, or
30 any other public or private source;

- 1 2. real property;
- 2 3. in-kind contributions; and
- 3 4. funds expended before the date the grant is awarded.

4 (3) The Department shall award grants from the Fund on a competitive
5 basis] **FOR PROVIDING FINANCIAL ASSISTANCE UNDER THE PROGRAM.**

6 (h) (1) The State Treasurer shall invest the money of the Fund in the same
7 manner as other State money may be invested.

8 (2) Any interest earnings of the Fund shall be credited to the Fund.

9 (i) Expenditures from the Fund may be made only in accordance with the State
10 budget.

11 (j) [If the Governor includes in the annual budget bill an appropriation to the
12 Fund, the appropriation shall be allocated as follows:

13 (1) 85% for projects in those areas of the State located between Interstate
14 Highway 495 and the District of Columbia; and

15 (2) 15% for projects throughout the State.]

16 **(1) FOR FISCAL YEARS 2021 THROUGH 2025, THE GOVERNOR SHALL**
17 **INCLUDE IN THE ANNUAL OPERATING BUDGET AN APPROPRIATION FOR THE FUND**
18 **IN THE AMOUNT OF \$200,000.**

19 **(2) FOR FISCAL YEARS 2021 THROUGH 2025, THE GOVERNOR SHALL**
20 **INCLUDE IN THE ANNUAL OPERATING OR CAPITAL BUDGET ~~BILL~~ AN APPROPRIATION**
21 **FOR THE FUND IN THE AMOUNT OF \$7,000,000.**

22 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 October 1, 2019.