

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 160 (Chair, Environment and Transportation Committee)(By Request - Departmental - Housing and Community Development)

Environment and Transportation

**Baltimore Regional Neighborhood Initiative Program - Eligible Organizations -
Alteration of Geographic Boundaries**

This departmental bill expands the eligibility requirements of the Baltimore Regional Neighborhood Initiative Program to include community development corporations serving communities outside of the Interstate 695 Beltway if (1) the corporation’s revitalization strategy includes a sustainable community and (2) the sustainable community is contiguous with a neighborhood or set of neighborhoods adjacent to Interstate 695. **The bill takes effect July 1, 2020.**

Fiscal Summary

State Effect: The bill is not anticipated to materially affect State operations or finances.

Local Effect: While some local jurisdictions may benefit from the bill’s changes, overall, the bill is not expected to materially affect local finances.

Small Business Effect: The Department of Housing and Community Development (DHCD) has determined that this bill has minimal or no impact on small businesses (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Current Law: Chapter 29 of 2016 established the Baltimore Regional Neighborhood Initiative Program. The program provides strategic investment in local housing and businesses and focuses on areas where modest investment will have an appreciable

neighborhood revitalization impact. Funds may be used for operating costs necessary to implement various community enhancement projects throughout the Baltimore region, including (but not limited to) down payment assistance for homebuyers to purchase and rehabilitate homes, workforce and employment development programs, and strategic demolition. Projects must be located in designated sustainable communities in Baltimore City or in the inner-beltway communities of Baltimore or Anne Arundel counties. For fiscal 2020 through 2022, the Governor is required to include an appropriation of \$12.0 million annually for the Baltimore Regional Neighborhood Initiative Program. The Governor's proposed fiscal 2021 capital budget includes \$12.0 million for the program.

A sustainable community is defined as a part of a priority funding area that (1) is designated by the Smart Growth Subcabinet on the recommendation of the Secretary of Housing and Community Development; (2) has been designated as a Base Realignment and Closure Revitalization Incentive Zone; or (3) has been designated a transit-oriented development.

Chapter 759 of 1997 established that State spending on certain growth-related activities must be directed to priority funding areas. Growth-related projects include most State programs that encourage or support growth and development such as highways, sewer and water construction, economic development assistance, and State leases or construction of new office facilities. Priority funding areas include all municipalities that existed in the State in 1997; areas inside the Washington Beltway and the Baltimore Beltway; and areas designated as enterprise zones, neighborhood revitalization areas, heritage areas, and certain industrial areas. Areas that were annexed by a municipality after 1997 may also be designated priority funding areas, as long as the areas satisfy specified requirements in statute generally related to density, water and sewer access, and other related factors.

Background: DHCD advises that while eligible programs seeking funding from the Baltimore Regional Neighborhood Initiative Program are limited to projects inside Interstate 695, the Baltimore region extends beyond the beltway. The Smart Growth Subcabinet has designated areas just outside of the beltway as sustainable communities. The bill would allow DCHD to direct resources to higher scoring projects by authorizing more eligible entities to apply.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Department of Housing and Community Development;
Department of Legislative Services

Fiscal Note History: First Reader - January 29, 2020
an/mcr

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Baltimore Regional Neighborhood Initiative Program – Eligible Organizations – Alteration of Geographic Boundaries

BILL NUMBER: HB 160

PREPARED BY Department of Housing and Community Development

PART A. ECONOMIC IMPACT RATING

 X WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

 WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS