

Department of Legislative Services  
Maryland General Assembly  
2024 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

House Bill 534

(Delegate Ruff, *et al.*)

Environment and Transportation

Budget and Taxation

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Community Development Administration - Live Near Your School Program -  
Extension

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This bill extends the termination date of Chapter 247 of 2021, which established the Live Near Your School program (LNYS) and a related home buyer assistance program, from September 30, 2024, to September 30, 2030. **The bill takes effect July 1, 2024.**

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Fiscal Summary

**State Effect:** The bill is not anticipated to materially affect State operations or finances, as discussed below.

**Local Effect:** The bill is not anticipated to materially affect local government operations or finances.

**Small Business Effect:** Minimal or none.

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Analysis

**Current Law:**

*Live Near Your School Program*

Chapter 247 authorized the Community Development Administration (CDA) within the Department of Housing and Community Development (DHCD) to administer LNYS. Under LNYS, CDA may administer community development projects that (1) are in sustainable communities and (2) provide current students and recent graduates with financial assistance in the form of grants to buy homes near the school attended by the

student or graduate. A community development project administered under these provisions is not subject to specified provisions of current law that require part of the housing to be occupied by families of limited income. CDA must adopt regulations to implement LNYS.

### *Home Buyer Assistance Program*

Chapter 247 also authorized CDA to administer a home buyer assistance program to assist specified students and graduates in receiving low-interest loans to purchase homes near the public institution of higher education attended by the individual. CDA may administer a home buyer assistance program that (1) assists current students and recent graduates to receive low-interest mortgage loans, with down payment and closing cost assistance options, for the purchase of homes near the school attended by the student or graduate; (2) coordinates with, and matches where appropriate, similar programs offered by public institutions of higher education, private employers, and county and municipal governments to maximize the total amount that current students and recent graduates can receive under the program; (3) authorizes a public institution of higher education to provide matching funds to a home buyer who receives assistance, as specified; and (4) uses available funding sources.

CDA may (1) allow home buyers to use the loans for the purchase of newly constructed or existing homes; (2) require a home purchased under the program to be occupied by the home buyer as a principal residence; and (3) use available funding sources.

CDA may facilitate the marketing of the program with specified entities and adopt regulations to carry out the bill's provisions relating to this program with existing funding for the marketing of current programs of DHCD, if available. Annually, by December 31, DHCD must report to the General Assembly on the program. In a [report](#) dated March 7, 2024, DHCD indicated that during calendar 2022, it had reached out to numerous educational institutions as potential partners, but none expressed interest in participating in the program. Therefore, the program has not been active.

### *Community Development Projects – Generally*

A project qualifies as a community development project if it meets specified housing, infrastructure, and facilities requirements that promote sound community development. A project qualifies as a public purpose project if it is undertaken with the financial assistance of CDA or the assistance of federal low-income housing credits authorized by the Internal Revenue Code and is (1) eligible wholly or partly for federal low-income housing credits or (2) in a location designated as a distressed area by the Secretary of Housing and Community Development. A project qualifies as a rental housing project if (1) its purpose is to acquire, construct, or rehabilitate real property or all or part of a building or

improvement that will be occupied by households of limited income and (2) a portion of the rental units in the project are set aside for households of lower income for the greater of 15 years or the number of years required by federal law.

A community development project may include specified public or private facilities that are not needed to support housing if they are less than a substantial part of the project or if the Secretary of Housing and Community Development finds that they will promote sound community development.

**State Expenditures:** DHCD advises that since the enactment of Chapter 247, neither LNYS nor the related home buyer assistance program have received funding. In addition, as noted above, to date, there has not been any interest in the home buyer assistance program from any potential partners. As a result, both programs are currently inactive. As the bill only extends the termination date of Chapter 247, it is assumed DHCD will continue to not operate LNYS or the related home buyer assistance program absent any funding for either program or any interest in the home buyer assistance program from potential partners.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** SB 90 (Senator Hayes) - Budget and Taxation.

**Information Source(s):** Maryland Association of Counties; Maryland Municipal League; Baltimore City Community College; University System of Maryland; Morgan State University; St. Mary's College of Maryland; Department of Housing and Community Development; Department of Legislative Services

**Fiscal Note History:** First Reader - January 25, 2024  
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Revised - Amendment(s) - March 15, 2024  
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