Article - Housing and Community Development

§1–101.

(a) In this Division I of this article the following words have the meanings indicated.

(b) (1) "Community assistance" means activities designed to enhance the physical, social, or economic environment of a community to improve the health, safety, or socio–economic welfare of its citizens.

(2) "Community assistance" includes the promotion of activities specified in paragraph (1) of this subsection through the concentration and coordination in communities in the State of federal, State, regional, and local public and private resources.

(c) "County" means a county of the State or Baltimore City.

(d) "Department" means the Department of Housing and Community Development.

(e) (1) "Financial assistance" means any form of assurance, guarantee, grant, payment, or other assistance.

(2) "Financial assistance" includes a loan, loan guarantee, or reduction in the principal obligations of or rate of interest payable on a loan or portion of a loan.

(f) "Governmental unit" means an agency, authority, board, commission, council, office, or other unit or instrumentality of the government of the State or of a political subdivision of the State.

(g) "Nonprofit organization" means a corporation, foundation, or other legal entity, no part of the net earnings of which inures to the benefit of a private shareholder or individual holding an interest in the entity.

(h) "Person" means an individual, receiver, trustee, guardian, personal representative, fiduciary, representative of any kind, partnership, firm, association, corporation, or other entity.

(i) "Political subdivision" means a county or municipal corporation of the State.

(j) "Secretary" means the Secretary of Housing and Community Development.

(k) "Veteran" has the meaning stated in § 9–901 of the State Government Article.

§1–102.

(a) (1) In this section the following words have the meanings indicated.

(2) "Adaptive reuse" means the retrofitting and repurposing of an existing building to develop new dwelling units.

(3) "Affordable multifamily housing" means a multifamily dwelling where all or a portion of the dwelling units are reserved for individuals whose household income is less than or equal to a certain limit on maximum household income.

(b) (1) Subject to paragraph (2) of this subsection, this section applies to any program operated by the Department that awards loans that may be used to develop affordable multifamily housing.

(2) If the laws or regulations governing a particular program establish more specific rules regarding the use of loan proceeds for adaptive reuse, the more specific rules shall apply.

(c) (1) Adaptive reuse of a property to develop affordable multifamily housing is an eligible use of the proceeds of a loan covered under this section.

(2) (i) Subject to subparagraph (ii) of this paragraph, the Department shall notify applicants for a loan covered under this section that adaptive reuse of a property to develop affordable multifamily housing is an eligible use of loan proceeds.

(ii) The notice requirement under subparagraph (i) of this paragraph does not apply when an individual applies for a loan under a Department program that does not focus on housing, including programs within the Division of Neighborhood Revitalization.

§2–101.

There is a Department of Housing and Community Development, established as a principal department of State government.

§2–102.

(a) The Department shall:

(1) encourage and assist political subdivisions and public and private community organizations to develop mutual and cooperative solutions to their common problems;

(2) serve as a clearinghouse for information and materials that may be pertinent to sound community assistance, including information on available federal, State, and private financial assistance and technical assistance;

(3) implement model or demonstration programs and projects or otherwise provide a program of practical research in community assistance;

(4) provide grants and loans for energy conservation and the use of solar energy in commercial and residential buildings;

(5) provide advisory, consultative, training, and educational services, and technical assistance to any political subdivision, local public agency, or nonprofit organization for community assistance purposes;

(6) contract for and accept a gift, grant, contribution, or loan of money, property, or other aid for community assistance from a governmental unit, the federal government, or another source and comply with the terms and conditions of that aid;

(7) attach terms and conditions to financial assistance as the Secretary determines;

(8) participate with political subdivisions, regional governments, organizations, and the federal government in developing, financing, and implementing a program to build the management capabilities of municipal corporations by supplying needed managerial expertise through circuit riding managers;

(9) administer federal programs relating to community assistance; and

(10) develop and implement a weatherization program in accordance with Title 4 of this article and administer the low–income weatherization component of the electric universal service program in accordance with § 7–512.1 of the Public Utilities Article.

(b) The Department may:

(1) sell any mortgage or other obligation that the Department holds at public or private sale, with or without public bidding;

(2) retain the servicing rights and charge servicing fees for any mortgage or other obligation that the Department sells; and

(3) apply the proceeds from any sale and servicing fees earned to any of the funds established under Title 4, Subtitle 5 of this article.

§2–103.

(a) (1) With the advice and consent of the Senate, the Governor shall appoint the Secretary.

(2) The Secretary is the head of the Department.

(b) Before taking office, the Secretary shall take the oath required by Article I, § 9 of the Maryland Constitution.

(c) (1) The Secretary serves at the pleasure of the Governor and is directly responsible to the Governor.

(2) The Secretary shall counsel and advise the Governor on all matters assigned to the Department and is responsible for carrying out the Governor's policies on those matters.

(d) The Secretary is entitled to the compensation provided in the State budget.

§2–104.

(a) The Secretary is responsible for the operation of the Department and shall establish guidelines and procedures to promote the orderly and efficient administration of the Department.

(b) The Secretary may establish, reorganize, or abolish areas of responsibility in the Office of the Secretary as necessary to fulfill the duties assigned to the Secretary.

§2–105.

The Secretary shall have a seal.

§2–106.

(a) With the approval of the Governor, the Secretary shall appoint a deputy secretary.

(b) The deputy secretary:

(1) serves at the pleasure of the Secretary; and

(2) is entitled to the compensation provided in the State budget.

(c) The deputy secretary shall have the duties provided by law or delegated by the Secretary.

§2–107.

(a) (1) In the Office of the Secretary, the Secretary shall have assistants, professional consultants, and employees as provided in the State budget.

(2) The Secretary may designate a staff assistant to be in charge of a particular area of responsibility within the Office of the Secretary.

(b) In the Office of the Secretary:

(1) each staff assistant in charge of a particular area of responsibility and each professional consultant serves at the pleasure of the Secretary; and

(2) except as otherwise provided by law, the Secretary shall appoint and may remove all other employees in accordance with the State Personnel and Pensions Article.

§2–108.

(a) The appointment or removal of personnel by a governmental unit in the Department is subject to the approval of the Secretary.

(b) The Secretary may delegate this power of approval to the head or governing body of the governmental unit.

§2–109.

Each governmental unit in the Department shall report to the Secretary or the Secretary's designee as provided in regulations or written directives that the Secretary issues.

§2–110.

Whenever law provides that an appointment is to be made by the Secretary with the approval of the Governor and the appointee is to serve at the pleasure of the Secretary, the Secretary may not remove the appointee without the prior approval of the Governor.

§2–111.

(a) The Secretary is responsible for adopting regulations for the Office of the Secretary.

(b) The Secretary shall review and may approve, disapprove, or revise the regulations of each governmental unit in the Department.

§2–112.

The Secretary is responsible for the budget of each governmental unit in the Department.

§2–113.

(a) The Secretary is responsible for the coordination and direction of all planning initiatives of the Secretary.

(b) The Secretary shall keep apprised of and may approve, disapprove, or modify plans, proposals, and projects of the Department and its governmental units.

§2–114.

The Secretary may call a special meeting of a governmental unit in the Department whenever the Secretary considers it necessary.

§2–115.

The Secretary may exercise or perform any power, duty, responsibility, or function assigned to a governmental unit in the Department.

§2–116.

(a) This section does not apply to a governmental unit in the Department to the extent that the governmental unit is authorized by law to employ its own legal adviser or counsel.

(b) The Attorney General is the legal adviser to the Department.

(c) The Attorney General shall assign to the Department the number of assistant Attorneys General authorized by law for the Department and its governmental units.

(d) An assistant Attorney General shall be a lawyer of the State in good standing.

(e) An assistant Attorney General is entitled to the compensation provided in the State budget.

(f) (1) The Attorney General shall designate one of the assistant Attorneys General as counsel to the Department and may not reassign the counsel without consulting the Secretary.

(2) The counsel to the Department has no duty other than to:

(i) give the legal aid, advice, and counsel that the Secretary and the other officials of the Department require; and

(ii) supervise the other assistant Attorneys General assigned to the Department.

(3) The counsel shall perform the duties specified in paragraph (2) of this subsection subject to the control and discretion of the Attorney General.

(g) (1) The counsel and the other assistant Attorneys General in the Department shall perform those duties that the Attorney General assigns.

(2) The Attorney General may require an assistant Attorney General to perform, subject to the Attorney General's control and discretion, any duty for the Department required of the Attorney General by law.

§2–201.

The Department consists of:

(1) the Division of Credit Assurance;

(2) the Division of Development Finance;

(3) the Division of Neighborhood Revitalization;

(4) the Community Development Administration;

(5) the Community Legacy Program;

(6) the Housing Finance Review Committee;

(7) the Lead Hazard Advisory Committee;

(8) the Maryland Housing Fund;

(9) the Neighborhood Business Development Program;

(10) the Historic Property Revitalization Director; and

(11) any other governmental unit that under law is a part of the Department.

§2–202.

(a) (1) The Department shall establish advisory councils, boards, and committees as the Governor and the Secretary determine.

(2) The Governor and the Secretary shall determine:

(i) the size of the advisory bodies;

(ii) the qualifications, method of appointment, terms, and compensation of members;

(iii) the manner of removal of members; and

(iv) the method of filling vacancies.

(b) The advisory units shall advise and assist the Secretary on policies, programs, and activities of the Department.

§2–203.

(a) (1) In this section the following words have the meanings indicated.

(2) "Affordable housing" means residential property that is rented or sold to the public as low–income housing or workforce housing.

(3) "Area median income" has the meaning stated in § 4–1801 of this article.

(4) "Low–income housing" means housing that is affordable for a household with an aggregate annual income that is below 60% of the area median income.

(5) "Workforce housing" has the meaning stated in § 4–1801 of this article.

(b) (1) (i) Not later than 60 days after the notice provided under § 5–310(d) of the State Finance and Procurement Article, the Department shall, in consultation with the unit of State government that controls the property, determine if the property is suitable for use or redevelopment as affordable housing.

(ii) The Department may not identify a property as suitable for use or redevelopment as affordable housing if the property:

1. is located outside an area designated as a priority funding area under Title 5, Subtitle 7B of the State Finance and Procurement Article; or

2. belongs in a category of property listed in § 5–310(c)(1)(i) of the State Finance and Procurement Article.

(iii) When determining if a property is suitable for use or redevelopment as affordable housing, the Department shall consider whether the property:

1. is adequately sized for any type of residential use;

2. has access to public utilities;

3. has access to feasible ingress and egress points; and

4. meets any other factors determined by the Department that are necessary for the property to be used or redeveloped as affordable housing.

(2) The Department shall compile and regularly update a list of properties it has determined are suitable for use or redevelopment as affordable housing.

(3) For each property included in the list required under paragraph (2) of this subsection, the Department shall:

(i) give notice of the determination to:

1. the unit of State government that controls the property; and

2. the State Treasurer; and

(ii) advise the unit of State government of the requirements of subsection (c) of this section.

(4) The list required under paragraph (2) of this subsection shall be made available to the public.

(c) (1) (i) Except as provided in paragraphs (4) and (5) of this subsection, on receipt of the notice required under subsection (b)(3) of this section, the unit of State government shall, in consultation with the Department and the Department of Planning, develop a proposal to donate or sell the listed property by:

1. donating or selling the property to a nonprofit organization that contracts to use or redevelop the property as affordable housing; or

2. selling the property to a buyer that contracts to use or redevelop the property as affordable housing.

(ii) If, after reasonable effort, the unit is unable to identify a suitable nonprofit organization or buyer in accordance with subparagraph (i) of this paragraph, the unit shall develop a proposal to sell the property at auction.

(iii) A proposal developed under this paragraph shall be submitted to the Board of Public Works for consideration in accordance with § 10–305 of the State Finance and Procurement Article.

(2) The unit of State government shall consider the proposed period of affordability, the number of affordable housing units created, and the viability of an offer when evaluating offers from multiple nonprofit organizations or buyers under this subsection.

(3) When a property is donated or sold in accordance with a proposal developed under this subsection, the unit shall give notice of the disposition to the Department.

(4) A unit may not propose to donate or sell a property under this subsection if the donation or sale would:

(i) violate any covenant or applicable federal law; or

(ii) in the opinion of the State Treasurer, adversely affect the tax–exempt status of an outstanding State bond, the proceeds of which were allocated to purchase or improve the property.

(5) Nothing in this subsection shall be construed to supersede the right of a person from whom real property was acquired or their successor in interest to reacquire the property under § 8–309 of the Transportation Article.

(d) On or before December 31, 2024, and each December 31 thereafter, the Department shall report to the General Assembly, in accordance with § 2–1257 of the State Government Article:

(1) the number of proposals submitted to the Board of Public Works under this section;

(2) the number of properties that were donated pursuant to proposals developed under this section; and

(3) the number of properties that were sold pursuant to proposals developed under this section.

§2–204.

(a) There is a Historic Property Revitalization Director.

(b) The Historic Property Revitalization Director shall:

(1) support the work of the Sustainable Growth Subcabinet;

(2) collect and maintain from State agencies that own property an inventory of State–owned buildings that are greater than 50 years old to be used for prioritizing physical assessments and, if applicable, determining eligibility for the National Register of Historic Places;

(3) in consultation with the Sustainable Growth Subcabinet and to determine the highest and best value for the State's disposition of property, support studies and consultations relevant to:

(i) stabilization;

(ii) mothballing;

(iii) environmental impacts;

(iv) economic prospects; and

(v) long–term ground leases;

(4) work with the Department, the Department of Commerce, and other members of the Sustainable Growth Subcabinet to identify existing State and federal programs and financing mechanisms that may be leveraged to enhance the successful redevelopment of property;

(5) work with the Department of General Services Office of Real Estate during the disposition process of relevant property; and

(6) on or before October 1, 2026, and each October 1 thereafter, and in consultation with the Sustainable Growth Subcabinet, report to the General Assembly, in accordance with § 2–1257 of the State Government Article, on the progress of efforts under this subsection.

(c) The Historic Property Revitalization Director shall receive a salary as provided in the State budget.

§2–301.

On or before December 1, 2019, and each December 1 thereafter, the Department shall submit a report to the Governor and, in accordance with § 2–1257 of the State Government Article, to the General Assembly on:

(1) with respect to financial assistance provided under Title 4, Subtitle 2 of this article:

(i) the number of projects that qualified as business projects under § 4–223 of this article;

(ii) the location of each business project, including whether the business project is located:

1. in an area designated as a priority funding area under § 5–7B–02 of the State Finance and Procurement Article; or

2. only in a qualified opportunity zone designated under § 1400Z–1 of the Internal Revenue Code; and

(iii) the amount of grants or loans provided for the development of each business project;

(2) with respect to the Strategic Demolition and Smart Growth Impact Fund established under § 4–508 of this article:

(i) the number and amount of grants and loans provided to government agencies and community development organizations during the immediately preceding fiscal year; and

(ii) the location of each revitalization project for which a grant or loan was provided, including whether the revitalization project is located:

1. in an area designated as a Sustainable Community; or

2. only in a qualified opportunity zone designated under § 1400Z–1 of the Internal Revenue Code;

(3) with respect to the Community Legacy Program established under Title 6, Subtitle 2 of this article:

(i) the location of each community legacy project, including whether the community legacy project is located:

1. in a sustainable community; or

2. only in an eligible opportunity zone; and

(ii) the amount of financial assistance provided for each community legacy project; and

(4) with respect to the Business Development Program established under Title 6, Subtitle 3 of this article:

(i) the names of approved entities awarded financial assistance under that program;

(ii) the location of the approved entity's operation, including whether the approved entity's operation is located:

1. in a priority funding area; or

2. only in an eligible opportunity zone; and

(iii) the amount of each financial assistance award.

§2–302.

(a) On or before December 1, 2023, and on or before December 1 every 5 years thereafter, the Department, in consultation with political subdivisions and housing authorities, shall submit a report to the Governor and, in accordance with § 2–1257 of the State Government Article, to the General Assembly on:

(1) the efforts by the State, political subdivisions, and housing authorities to promote fair housing choice and racial and economic housing integration, and the results of those efforts, delineated by county; and

(2) any assessment of fair housing required under § 3–114(d)(2) of the Land Use Article completed since the most recent report required under this subsection, including any assessment of fair housing completed or revised under the federal Department of Housing and Urban Development's most recently published Affirmatively Furthering Fair Housing Rule.

(b) The report required under subsection (a) of this section shall provide an update on the actions being taken by local jurisdictions to affirmatively further fair housing.

(c) The Department shall work in partnership with each local jurisdiction to jointly develop and complete a template to capture data in the jurisdiction related to affirmatively furthering fair housing.

§2–303.

(a) (1) In this section the following words have the meanings indicated.

(2) "Common ownership community" means:

(i) a condominium, as defined in § 11–101 of the Real Property Article;

(ii) a cooperative housing corporation, as defined in § 5–6B–01 of the Corporations and Associations Article; or

(iii) a homeowners association, as defined in § 11B–101 of the Real Property Article.

(3) "Local common ownership community program" means a program operated by a local jurisdiction for the regulation or oversight of common ownership communities.

(b) The Department shall establish and maintain a website that provides information for individuals living in a common ownership community.

(c) The Department shall make publicly available on the website:

(1) a hyperlink to the website of each local common ownership community program in the State;

(2) information on statewide legislation enacted in the prior legislative session regarding the rights and responsibilities of individuals living in a common ownership community, including, for each bill that is enacted:

(i) the bill title;

(ii) the bill and chapter number;

(iii) the effective date of the bill; and

(iv) a hyperlink to the bill information on the General Assembly website;

(3) (i) a summary of the requirements for the governing body of a common ownership community and for an individual seeking to install electric vehicle recharging equipment in a common ownership community under § 5–6B–23.1 of the Corporations and Associations Article and §§ 11–111.4 and 11B–111.8 of the Real Property Article;

(ii) information on contractors, including specific information on contractors certified through labor–management training programs, and insurers for the installation of electric vehicle recharging equipment in a common ownership community; and

(iii) a point of contact in the Department to assist individuals with questions relating to electric vehicle recharging equipment in common ownership communities; and

(4) information on resources available to individuals living in common ownership communities to aid in dispute resolution between the individual and the common ownership community.

(d) The information required under subsection (c)(2) of this section shall be posted on the Department's common ownership community website on or before June 1 each year.

§2–401.

(a) In this subtitle the following words have the meanings indicated.

(b) (1) "Affirmatively further fair housing" means to take meaningful actions, in addition to actions aimed at combating discrimination, to:

(i) overcome patterns of segregation; and

(ii) foster inclusive communities free from barriers that restrict access to housing and opportunity based on protected characteristics.

(2) "Affirmatively further fair housing" includes to take meaningful actions that, taken together:

(i) address significant disparities in housing needs and access to opportunity;

(ii) replace segregated living patterns with truly integrated and balanced living patterns;

(iii) transform racially and ethnically concentrated areas of poverty into areas of opportunity; and

(iv) foster and maintain compliance with civil rights and fair housing laws.

(c) "Meaningful action" means a significant action that is designed and can be reasonably expected to achieve a material positive change by, for example, increasing fair housing choice or decreasing disparities in access to opportunity.

§2–402.

(a) The Department:

(1) shall administer its programs and activities related to housing and community development to affirmatively further fair housing;

(2) shall explore ways to ensure it is collaborating with and supporting nonprofit and governmental entities devoted to furthering fair housing; and

(3) may not take any action that is materially inconsistent with the obligation to affirmatively further fair housing.

(b) (1) The Department shall require political subdivisions and housing authorities to affirmatively further fair housing.

(2) To ensure that political subdivisions and housing authorities affirmatively further fair housing, the Department shall, in accordance with § 3–114(d)(2) of the Land Use Article, require a political subdivision or housing authority to submit an assessment of fair housing to the Department as part of the housing element of a comprehensive plan.

(c) This section does not:

(1) require a political subdivision or housing authority to take a specific action to affirmatively further fair housing; or

(2) prohibit a political subdivision or housing authority from taking a specific action to affirmatively further fair housing.

§3–101.

In this subtitle, "Division" means the Division of Credit Assurance.

§3–102.

There is a Division of Credit Assurance.

§3–103.

The Division includes:

(1) the Maryland Housing Fund, a governmental unit of the Department; and

(2) loan asset management for the Department.

§3–104.

The Division shall administer each program assigned to the Division by law or by the Secretary.

§3–201.

(a) In this subtitle the following words have the meanings indicated.

(b) "Business project" has the meaning stated in § 4–201 of this article.

(c) "Credit enhancement" means a guarantee, including a guarantee of an obligation backed by a pool of mortgages, or other assurance or security device issued to:

(1) improve the credit of a qualified borrowing entity; or

(2) upgrade the security or rating of a financial obligation, including:

(i) a mortgage backed security;

(ii) a certificate of participation; and

(iii) a bond or note issued to finance a development activity described in this subtitle.

(d) "Energy conservation project" has the meaning stated in § 4–201 of this article.

(e) "Financing" includes acquisition financing, permanent financing, short–term bridge financing, construction financing, and refinancing of a loan or project authorized under this subtitle.

(f) "Fund" means the Maryland Housing Fund.

(g) "Housing" includes:

(1) a single dwelling unit;

(2) a multiple dwelling unit;

(3) an accessory unit residential facility;

(4) a shared–living unit facility, accommodating at least two individuals or families, in which some or all of the living, dining, kitchen, or sanitary facilities are shared; and

(5) an ancillary commercial or other facility that is related to, incidental to, and supportive of the housing.

(h) "Infrastructure project" has the meaning stated in § 4–201 of this article.

(i) "Mortgage" includes:

(1) a deed of trust, a security agreement, and a pledge; and

(2) any other security arrangement securing a loan, including a mortgage, to finance:

(i) the purchase of stock or membership in a cooperative ownership housing corporation; or

(ii) the construction or rehabilitation of dwelling units in a cooperative ownership housing corporation.

(j) "Public purpose project" has the meaning stated in § 4–201 of this article.

(k) "Solar energy project" has the meaning stated in § 4–201 of this article.

§3–202.

(a) (1) The General Assembly finds that:

(i) the flow of private investment capital into businesses and adequate housing can be stimulated by a system insuring qualified lending institutions against losses resulting from nonpayment of money owed under the terms of a note, bond, or other evidence of indebtedness; and

(ii) the insurance can help State and local activity to finance businesses, housing, and rehabilitation.

(2) The General Assembly also finds that adequate housing can and should be provided by private capital under our free enterprise system and in accordance with sound investment practices.

(3) The General Assembly finds as a subject of concern that:

(i) many residents of the State are living in substandard housing; and

(ii) there is a shortage of housing at reasonable costs for various income levels.

(b) The General Assembly finds that it is in the public interest to promote energy conservation projects and solar energy projects by providing insurance for:

(1) loans made by qualified lending institutions; and

(2) bonds or notes issued to finance the projects.

(c) The General Assembly finds that the sale of pooled mortgages or securities backed by mortgages to private or public investors, including public and private pension funds, is in the public interest and could increase the investment capital available to make mortgage loans to:

(1) acquire, construct, and rehabilitate housing; and

(2) acquire, operate, construct, and rehabilitate businesses.

(d) (1) In this subsection, "distressed area" has the meaning stated in § 4–201 of this article.

(2) The General Assembly finds that it is in the public interest to encourage the financing of, and otherwise to support, the planning, acquisition, development, construction, reconstruction, rehabilitation, repair, renovation, and other improvement of:

(i) public purpose projects in distressed areas in the State; and

(ii) infrastructure projects.

(e) The General Assembly finds that the flow of public and private capital to support the activities specified in this section will be encouraged and expanded by:

(1) insuring:

(i) loans made by qualified lending institutions;

(ii) bonds or notes issued by qualified issuers; and

(iii) obligations backed by mortgages; and

(2) providing other credit enhancements.

§3–203.

(a) There is a Maryland Housing Fund.

(b) The Fund shall further the State interests expressed in § 3-202 of this subtitle.

(c) The Department shall manage and supervise the Fund.

(d) (1) The Fund is a continuing, nonlapsing special fund that is not subject to § 7-302 of the State Finance and Procurement Article.

(2) The Department shall deposit money for the Fund with the State Treasurer.

(3) The money shall be held in the financial institutions that the State Treasurer considers proper and shall be accounted for by the Comptroller in a special account known as the "Maryland Housing Fund".

(4) All premium and fee income shall be credited to the Fund to operate the Fund and to provide additional insurance, guarantees, and credit enhancement.

(e) The Fund consists of:

(1) money appropriated by the State to the Fund;

(2) proceeds of any State loan to the extent provided by the General Assembly or any governmental unit authorized to issue bonds for the Fund;

(3) fees and premiums that the Department receives in connection with insurance or other credit enhancement provided by the Fund; and

(4) all other money made available to the Department from any source for the purposes set forth in this subtitle.

(f) Money in the Fund shall be invested in the same manner as other State money.

(g) (1) Money in the Fund shall be used to:

(i) insure loans that the Department accepts under this subtitle;

(ii) insure bonds or notes issued to finance a project that is eligible for insurance under this subtitle; and

(iii) provide other forms of credit enhancement under this subtitle.

(2) Money in the Fund that by agreement, contract, secretarial determination, or regulation has been created as an identifiable insurance or credit reserve may be used only in conformance with the terms and conditions creating the reserve.

(h) The Secretary may transfer to any reserve:

(1) operational money;

(2) earnings not yet allocated to a particular reserve;

(3) State appropriated money;

(4) proceeds of State general obligation bonds; or

(5) other money received and not allocated to a particular reserve.

(i) (1) Beginning in fiscal year 2010, if the balance of the unallocated reserve of the Fund at the end of any fiscal year exceeds $10,000,000, the excess over $10,000,000 shall be transferred by the Governor to the:

(i) Homeownership Programs Fund established under § 4–502 of this article;

(ii) Rental Housing Programs Fund established under § 4–504 of this article; and

(iii) Special Loan Programs Fund established under § 4–505 of this article.

(2) The distribution of any money transferred from the Fund to the Homeownership Programs Fund, the Rental Housing Programs Fund, and the Special Loan Programs Fund shall be at the discretion of the Secretary.

§3–204.

Insurance, a guarantee, or other credit enhancement provided under this subtitle:

(1) does not pledge the faith, credit, or taxing power of the State or the Department; and

(2) is payable only to the extent of the reserve or other identified money backing the insurance, guarantee, or credit enhancement.

§3–205.

(a) In this section, "development costs" has the meaning stated in § 4-201 of this article.

(b) The Department, in its own name or in the name of the Fund:

(1) may insure or guarantee on terms that it specifies a mortgage or pool of mortgages offered or bonds or notes issued that are eligible for insurance under § 3-202 of this subtitle;

(2) may insure a total of not more than $30,000,000 of bridge loans that are:

(i) made for part of the development costs of rental housing projects that are awarded federal low income housing tax credits; and

(ii) secured by personal rather than real property;

(3) may provide other forms of credit enhancement on terms that it specifies for qualified lenders and borrowers who otherwise cannot get credit enhancement in the private market;

(4) may issue obligations in any form backed by a pool of mortgages, including:

(i) securities;

(ii) certificates of participation;

(iii) grantor trusts;

(iv) collateralized mortgage obligations; and

(v) pass-through certificates;

(5) notwithstanding Titles 10 through 17 of the State Finance and Procurement Article, after a default under an obligation that is insured or otherwise backed by a credit enhancement under this subtitle, may acquire, hold, improve, operate pending sale or other disposition, sell, assign, exchange, transfer, convey, lease, mortgage, or otherwise dispose of or encumber:

(i) real property or an interest in real property;

(ii) personal property or an interest in personal property; or

(iii) evidence of indebtedness, including:

1. pass-through certificates;

2. residual interests; and

3. other securities backed by real estate or a mortgage; and

(6) in connection with a property, whether or not insured by the Fund, acquired by the Department or the Fund through foreclosure, through deed in lieu of foreclosure, or in settlement for a claim for loss:

(i) may contract with a private party for services to secure, maintain, operate, or improve the property in anticipation of disposition of the property, without requiring that the contract comply with Division II of the State Finance and Procurement Article; or

(ii) may make a mortgage loan to assist in the disposition of the property.

§3–206.

(a) In offering insurance and other forms of credit enhancement, the Department shall adopt eligibility standards that are reasonable to aid in:

(1) financing the purchase, construction, or rehabilitation of:

(i) housing projects;

(ii) special housing facility projects, consisting of the acquisition, rehabilitation, improvement, renovation, construction, financing, or refinancing of a building that:

1. provides common, shared, or independent living, dining, kitchen, sanitary, and sleeping facilities;

2. may include supportive services or supervisory live–in personnel for individuals with specialized housing needs; and

3. may include nonresidential facilities to serve individuals with special needs who may or may not be residents of the special housing facility;

(iii) rehabilitation projects, as defined in § 4–901 of this article;

(iv) energy conservation projects;

(v) solar energy projects;

(vi) public purpose projects;

(vii) infrastructure projects; or

(viii) business projects; and

(2) the sale or other transfer of an obligation that is:

(i) denoted as a bond, note, collateralized obligation, grantor trust, conduit, or other form of security or obligation; and

(ii) backed directly or indirectly by a mortgage or a payment derived from a mortgage.

(b) The standards adopted under subsection (a) of this section shall ensure that a lender benefiting from insurance or other credit enhancement provided by the Department is responsible and able to service the loan.

(c) A determination by the Secretary is conclusive if it relates to the eligibility of a project, facility, or undertaking for:

(1) insurance or other credit enhancement; or

(2) other action taken by the Department, in its own name or in the name of the Fund, under this subtitle.

§3–207.

(a) The Department shall adopt regulations that are necessary to carry out the purpose of this subtitle.

(b) (1) Annually, on or before December 1, the Department shall make a written report to the Governor and, subject to § 2-1257 of the State Government Article, to the General Assembly on the financial status of the Fund and its operations for the preceding fiscal year.

(2) The report shall include the types and amount of:

(i) insurance reserves;

(ii) insurance issued;

(iii) premiums charged; and

(iv) claims made.

§3–208.

This subtitle shall be liberally construed to carry out the findings set forth in § 3-202 of this subtitle.

§4–101.

(a) In this title the following words have the meanings indicated.

(b) "Administration" means the Community Development Administration.

(c) "Division" means the Division of Development Finance.

(d) "Elderly household" means, except as provided in § 4–2901 of this title, one or more individuals who occupy a residential dwelling unit, at least one of whom meets the age limit specified by the Secretary that:

(1) is greater than or equal to age 55; and

(2) may vary for different programs or types of projects.

(e) “Nonprofit sponsor” means a sponsor that is:

(1) a nonprofit organization; or

(2) a limited partnership, if:

(i) 1. each general partner is a nonprofit organization; or

2. each general partner is a wholly owned subsidiary of a nonprofit organization;

(ii) the limited partnership is formed to undertake a project that is eligible as a whole or in part for a federal program or incentive, including low–income housing tax credits; and

(iii) a nonprofit organization manages the project or will receive the net cash flow or residual sale proceeds on the sale of the project.

§4–102.

There is a Division of Development Finance.

§4–103.

The Division includes:

(1) the Community Development Administration;

(2) the Disaster Relief Housing Program;

(3) the Down Payment and Settlement Expense Loan Program;

(4) federal and State weatherization programs;

(5) the Group Home Financing Program;

(6) the Lead Hazard Reduction Grant Program;

(7) the Lead Hazard Reduction Loan Program;

(8) the local government infrastructure program;

(9) the Maryland Home Financing Program;

(10) the Maryland Housing Rehabilitation Program;

(11) the Neighborhood Housing Services Fund;

(12) the Operating Assistance Grants Demonstration Projects;

(13) the Partnership Rental Housing Program;

(14) the Radium Grant Program;

(15) the Rental Allowance Program, the Statewide Rental Assistance Voucher Program, and other rental assistance programs;

(16) the Rental Housing Program; and

(17) the Self–Help Homeownership Technical Assistance Program.

§4–104.

The Division shall conduct outreach to facilitate the investment by qualified opportunity funds, as defined in § 1400Z–2 of the Internal Revenue Code, in urban, suburban, and rural neighborhoods in the State.

§4–201.

(a) In this subtitle the following words have the meanings indicated.

(b) "Business project" means a project that qualifies under § 4–223 of this subtitle.

(c) "Commercial building" means any building that:

(1) is used primarily to carry on a business whether or not for profit;

(2) is not a residential building; and

(3) is not used primarily to manufacture or produce raw materials, products, or agricultural commodities.

(d) "Commercial energy audit" means:

(1) an energy audit performed for purposes of Title VII of the National Energy Conservation Policy Act, 42 U.S.C. §§ 6201 through 6422; or

(2) an onsite inspection of a commercial building that includes a determination of, and provides information on:

(i) the type, quantity, and rate of energy consumption of the building;

(ii) the maintenance and operation procedures to reduce the energy consumption of the building; and

(iii) the cost of implementing an appropriate energy conservation project, a solar energy project, or both, and the savings in energy costs likely to result from the project.

(e) "Community development project" means a project that qualifies under § 4–217 of this subtitle.

(f) (1) "Development costs" means the costs that the Department considers reasonable and necessary to carry out:

(i) a community development project;

(ii) an energy conservation project;

(iii) a home improvement project;

(iv) an infrastructure project;

(v) a public purpose project;

(vi) a solar energy project;

(vii) a special housing facility; or

(viii) a business project.

(2) "Development costs" includes:

(i) the costs of:

1. studies, surveys, plans and specifications, and architectural, engineering, or other special services;

2. acquisition of land and any buildings on the land;

3. site preparation and development, construction, reconstruction, rehabilitation, and improvement; and

4. acquisition of machinery, equipment, and furnishings;

(ii) expenses incurred in connection with initial occupancy or operation of the project;

(iii) an allocable portion of the administrative and operating expenses of the Department;

(iv) the cost of financing the project, including interest on bonds and notes issued to finance the project from the date issued to the date the Department determines that the project is substantially occupied or substantially in operation;

(v) the cost of other items, including indemnity and surety bonds, premiums on insurance, fees, relocation costs, and charges and expenses of trustees, depositories, and paying agents for bonds and notes issued; and

(vi) operating and expansion costs for business projects.

(g) "Director" means the Director of the Administration.

(h) "Energy conservation project" means a project that qualifies under § 4–218 of this subtitle.

(i) "Family of limited income" means a family or individual whose income does not exceed the upper income limits established by the Secretary under § 4–212 of this subtitle.

(j) "Home improvement project" means a project that qualifies under § 4–219 of this subtitle.

(k) "Infrastructure project" means a project that qualifies under § 4–220 of this subtitle.

(l) "Limited dividend corporation" means a corporation that:

(1) qualifies as a limited dividend corporation under the Moderate–Income Rental Program of the National Housing Act, Title 12, Chapter 13 of the United States Code; and

(2) is operated only to further a community development project.

(m) "Local development agency" means the governmental unit of a political subdivision that the chief executive officer of the political subdivision designates to carry out community development under this subtitle.

(n) "Local development entity" means a corporation or foundation, no part of the net earnings of which inures to the benefit of a private shareholder or individual, that is organized and operated primarily to foster, encourage, and assist community development in the State.

(o) "Local obligation" means a bond, note, or other obligation of a political subdivision or a governmental unit of a political subdivision.

(p) "Public purpose project" means a project that qualifies under § 4–221 of this subtitle.

(q) "Residential building" means a single family or multifamily structure that is used primarily for human dwelling and that has a system for heating, cooling, or both.

(r) "Residential energy audit" means:

(1) an inspection or energy audit of a residential building or a dwelling unit in a residential building performed for purposes of Title II or Title VII of the National Energy Conservation Policy Act, Title 42, Chapter 91 of the United States Code; or

(2) an onsite inspection of a residential building or a dwelling unit in a residential building that includes a determination of and provides information on:

(i) the type, quantity, and rate of energy consumption of the building or dwelling unit;

(ii) maintenance and operating procedures to reduce the energy consumption of the residential building or dwelling unit; and

(iii) the cost of implementing an appropriate energy conservation project, solar energy project, or both, and the savings in energy costs that are likely to result from the project.

(s) "Residential mortgage loan" means a loan, including a temporary loan or advance, that is secured by a mortgage of real property in the State that is:

(1) improved by a residential building; or

(2) unimproved, if the loan proceeds are to be used to construct a residential building.

(t) "Solar energy project" means a project that qualifies under § 4–222 of this subtitle.

(u) "Special housing facility" means a project or undertaking for the refinancing, acquisition, rehabilitation, improvement, renovation, or construction of a building that:

(1) will be occupied in substantial part by families of limited income;

(2) will provide common, shared, or independent living, dining, kitchen, sanitary, and sleeping facilities;

(3) may include supportive services or supervisory live–in personnel for individuals with specialized housing needs;

(4) may include nonresidential facilities to serve individuals with special needs who need not be residents of the project or undertaking; and

(5) is not subject to § 4–213(b) of this subtitle.

(v) "Sustainable community" has the meaning stated in § 6–201 of this article.

§4–202.

The General Assembly finds that:

(1) in this era of rapid population growth and expansion and of increasing urbanization, there is a need in many areas of the State to promote sound community development;

(2) the political subdivisions do not have adequate resources to deal effectively with all of the problems of sound community development, and the ordinary operations of private enterprise cannot deal with them without State assistance;

(3) there is a need to coordinate and concentrate federal, State, regional, and local public and private community development efforts and resources;

(4) there is a shortage of adequate, safe, and sanitary housing for families of limited income, and increasing the housing supply for families of limited income will ease the shortage and promote sound community development;

(5) increasing opportunities for homeownership is desirable and promotes sound community development;

(6) reducing energy consumption and increasing the use of solar energy by providing financial assistance to encourage energy conservation and solar energy improvements to residential buildings and commercial buildings promote sound community development and the public interest;

(7) the public infrastructure maintained by political subdivisions, including streets, sidewalks, curbs, sewer and water systems, bridges, and public buildings, needs rehabilitation and construction;

(8) the resources necessary for financing infrastructure projects have become scarcer in recent years;

(9) providing an additional, accessible, and uncomplicated mechanism to finance infrastructure projects promotes sound community development, is vital to a strong economy, improves the quality of the environment, and otherwise promotes the health, safety, and welfare of the residents of the State;

(10) promoting sound community development is a proper public purpose and State use, for which public money may be spent and property may be acquired; and

(11) the functions and responsibilities of the Administration set forth in this subtitle are necessary to achieve the ends listed in this section.

§4–203.

(a) To attract and retain teachers in the State by increasing homeownership opportunities, the General Assembly finds that there is a need to authorize the Department to develop a program to dedicate up to $25,000,000 over 5 years to provide mortgage loans to teachers at interest rates below the prevailing interest rate for similar programs.

(b) (1) A mortgage loan under this section shall be available to a teacher who is a first–time home buyer.

(2) The loan shall be conditioned on an agreement by the teacher to teach in the State for at least 3 years if work is available for the teacher.

(3) The loan shall be used to purchase property in a priority funding area as defined in §§ 5–7B–02 and 5–7B–03 of the State Finance and Procurement Article.

(c) The Administration shall develop the program in consultation with:

(1) the State Department of Education, to ensure that the program is consistent with the State's strategy to attract and retain teachers; and

(2) local boards of education, to ensure that the program is properly marketed.

§4–204.

There is a Community Development Administration.

§4–205.

The Administration is created to:

(1) coordinate activities and programs that contribute to sound community development;

(2) encourage and facilitate the development of new and existing communities by reducing the costs of development through grants, loans, and other forms of financial assistance;

(3) encourage and facilitate energy conservation and the use of solar energy in residential buildings and commercial buildings through grants, loans, and other forms of financial assistance;

(4) make land available for sound community development; and

(5) assist the efforts of private enterprise, political subdivisions, local public agencies, local development entities, and nonprofit organizations.

§4–206.

(a) Except as provided in subsection (b) of this section, a grant of land or money may be made only to a political subdivision, a local development entity, a local development agency, or a nonprofit organization.

(b) (1) This section does not apply to grants that may be awarded to the Administration under federal law.

(2) The Administration may award grants to home buyers for settlement expenses as provided by the Department under this title.

(3) The Administration may award grants under § 4–235(b)(1)(ii) of this subtitle.

§4–207.

(a) With the approval of the Governor, the Secretary shall appoint the Director.

(b) The Director serves at the pleasure of the Secretary.

(c) The position of Director is in the executive service or management service of the State Personnel Management System.

(d) The Director shall operate and exercise the powers of the Administration under the direction of the Secretary and in accordance with this subtitle.

(e) The Director is entitled to:

(1) compensation as provided in the State budget; and

(2) reimbursement for expenses under the Standard State Travel Regulations as provided in the State budget.

(f) The Director shall have a staff and professional consultants as provided in the State budget.

§4–208.

(a) There is a Housing Finance Review Committee.

(b) The Housing Finance Review Committee consists of seven members appointed by the Governor on recommendation of the Secretary as follows:

(1) three employees of the Department, one of whom may be the Secretary;

(2) one employee of the Executive Branch of State government who is not employed by the Department; and

(3) three members of the public.

(c) (1) The term of a public member is 4 years and begins on July 1.

(2) At the end of a term, a public member continues to serve until a successor is appointed and qualifies.

(3) A public member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

(d) (1) The Housing Finance Review Committee shall review and make recommendations to the Secretary about:

(i) specific loan requests or categories of loan requests; and

(ii) the investment and project financing policies of the Administration.

(2) The Secretary may approve a specific loan request without a recommendation of the Housing Finance Review Committee if the request requires urgent action.

§4–211.

(a) The Administration shall:

(1) assist the Governor in coordinating the activities of governmental units of the State that affect the solution of community development problems and the implementation of community plans;

(2) encourage and assist political subdivisions to develop mutual and cooperative solutions to their common problems;

(3) serve as a clearinghouse for information and other materials that may be pertinent to sound community development, including information on available federal, State, and private financial and technical assistance;

(4) carry out continuing studies and analyses of sound community development in cooperation with the Department of Planning;

(5) make recommendations, in cooperation with the Department of Planning, for administrative or legislative action, paying particular attention to the problems of metropolitan, suburban, and other areas;

(6) implement model or demonstration programs and projects, contract to administer functions or services in a political subdivision, or otherwise provide a program of practical research in community development;

(7) promote community development by giving to political subdivisions, local development agencies, local development entities, or nonprofit organizations:

(i) technical assistance and advisory, consultative, training, and educational services; and

(ii) grants and loans to pay for:

1. the services and technical assistance; and

2. any development costs;

(8) (i) contract for and accept from the federal government a grant, contribution, or loan of money, property, or other aid in any form for community development; and

(ii) do all things necessary to qualify for the grant, contribution, or loan, including those things necessary to qualify for assistance as a local public agency or public housing agency under a federal housing or renewal program;

(9) contract for and accept from any governmental unit of the State or other source a gift, grant, contribution, or loan of money, property, or other aid in any form for community development and comply with the terms and conditions of the gift, grant, contribution, or loan;

(10) attach to a sale or lease of property or to a loan or grant the terms and conditions that the Director determines and the Secretary approves;

(11) enter into agreements to make annual payments instead of assessments, charges, or property taxes to a political subdivision in respect to real property that the Administration owns; and

(12) provide money to programs eligible to receive funding from the Neighborhood Business Development Fund under § 6–310 of this article.

(b) To implement community development projects and public purpose projects in accordance with Part V of this subtitle, and subject to §§ 4–213(b) and 4–214 of this subtitle, the Administration may:

(1) (i) acquire, own, and hold land that is open, mainly open, or undeveloped, or any interest in the land;

(ii) install access and interior streets and roads and sewer and water lines in or to the land and otherwise improve the land; or

(iii) transfer, lease, mortgage, or otherwise dispose of or encumber the land;

(2) (i) acquire, own, and hold land that is not open, mainly open, or undeveloped, as well as personal or mixed property;

(ii) manage and operate the property;

(iii) clear, improve, construct, or rehabilitate the property;

(iv) transfer, lease, mortgage, or otherwise dispose of or encumber the property; or

(v) take assignments of rentals or leases for the property;

(3) arrange or contract with a political subdivision or private party in connection with a community development project or public purpose project for:

(i) planning, replanning, zoning, or rezoning;

(ii) opening, grading, or closing streets, roads, alleys, or other places;

(iii) furnishing facilities;

(iv) acquiring property or property rights by the political subdivision; or

(v) furnishing property or services; and

(4) spend Administration money for an undertaking that the Secretary approves.

(c) The Administration shall develop and implement a weatherization program to provide money for insulation materials and insulation costs to households that qualify based on income and the program eligibility guidelines that the Secretary establishes.

(d) (1) (i) In this subsection the following words have the meanings indicated.

(ii) "Covered building" has the meaning stated in § 2–1601 of the Environment Article.

(iii) "Energy conservation project" means a project that qualifies under § 4–218 of this subtitle.

(2) For the purpose of reducing direct greenhouse gas emissions from multifamily residential buildings in accordance with the standards adopted under § 2–1602 of the Environment Article, the Administration shall develop and implement a program to provide grants and loans for energy conservation projects and projects to install renewable energy generating systems in covered buildings that house primarily low– to moderate–income households.

(3) Grants and loans provided under this subsection may not be used for a project to install new equipment that uses fossil fuels or improve the efficiency of existing equipment that uses fossil fuels.

(4) In each of fiscal years 2024 through 2026, the Governor shall include in the annual budget bill an appropriation of $5,000,000 to the Department for the purpose of providing grants and loans under this subsection.

(5) On or before December 1, 2023, and each December 1 thereafter, the Administration shall report to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly on the projects funded under this subsection.

§4–212.

(a) In establishing the upper income limits for a family of limited income, the Secretary shall consider factors including:

(1) the income of the family available for housing;

(2) the size of the family;

(3) the cost and condition of available housing;

(4) the ability of the family to compete in the private housing market; and

(5) standards and definitions established for federal housing programs.

(b) The limits established under subsection (a) of this section may vary for different:

(1) types of housing;

(2) programs of the Administration; and

(3) areas of the State.

(c) A limit established under subsection (a) of this section may be supplemented for a particular project.

§4–213.

(a) In accordance with regulations that the Secretary adopts, an agreement that the Administration makes to carry out its functions and responsibilities under §§ 4–211, 4–214, and 4–225 through 4–235 of this subtitle shall be approved by:

(1) the Secretary; and

(2) the Board of Public Works, if its approval is required by law.

(b) The Administration shall provide written notice and a reasonable opportunity to comment to the chief executive officer or the equivalent officer and the head or president of the legislative body of the political subdivision in which a proposed community development project or a public purpose project is located.

(c) If the proposed project is located in a municipal corporation, the notice required under subsection (b) of this section shall be sent to the chief executive officer and head or president of the legislative body of the municipal corporation and not to the county.

(d) A project that the Administration finances is subject to applicable zoning and building codes.

(e) (1) This subsection applies notwithstanding any other provision of this subtitle or other State law.

(2) In exercising its functions and responsibilities, the Administration may sell or lease for a term not exceeding 99 years all or part of the real, mixed, or personal property constituting a community development project.

(3) A sale or lease under this section may be made:

(i) without public bidding or public sale; and

(ii) on terms and conditions that make housing in that development economically feasible for families of limited income.

(4) A sale or lease under this section shall conform with a plan for community development that the Secretary approves at a public hearing held after notice is published in at least one newspaper of general circulation in the political subdivision in which the development is located.

(5) The plan for community development presented at the hearing shall be in accordance with regulations that the Secretary adopts, requiring:

(i) a description of the property;

(ii) a statement of the identity of the proposed purchaser or lessee and the proposed use or reuse of the property;

(iii) the price or rental to be paid by the purchaser or lessee; and

(iv) the conditions of the sale or lease that ensure that the community development purposes of this subtitle will be carried out.

(f) In carrying out this subtitle, the Administration shall comply with local laws applicable to the community development project.

(g) (1) In carrying out this subtitle, the Administration shall:

(i) foster local initiative and participation in community development activities; and

(ii) consider local and regional goals and policies as expressed in urban renewal, community renewal, and local comprehensive land use plans and regional plans.

(2) Wherever possible, the Administration shall carry out community development projects together with and through the use of:

(i) private enterprise;

(ii) limited dividend corporations;

(iii) local development agencies; and

(iv) local development entities.

§4–214.

The Administration has the power of eminent domain, but may not exercise it in a political subdivision without the consent of the political subdivision given by ordinance of its governing body for a specific community development project.

§4–215.

(a) The Administration shall administer a home buyer assistance program that:

(1) assists home buyers to receive low–interest mortgage loans, with down payment and closing cost assistance options, for the purchase of homes near their place of employment; and

(2) coordinates with, and matches where appropriate, similar programs offered by private employers and county and municipal governments so as to maximize the total amount that home buyers can receive under the program.

(b) With reference to loans under this program, the Administration shall:

(1) allow home buyers to utilize the loans for the purchase of newly constructed or existing homes; and

(2) require a home purchased under this program to be occupied by the home buyer as a principal residence.

(c) The Administration shall facilitate the marketing of the program with private employers and county and municipal governments, and, where appropriate, other units of State government and nonprofit organizations.

(d) The Administration shall adopt regulations to implement the program established under this section.

(e) The Department shall report to the General Assembly on or before December 31 each year, in accordance with § 2–1257 of the State Government Article, on the program established under this section.

§4–215.1. IN EFFECT

// EFFECTIVE UNTIL SEPTEMBER 30, 2030 PER CHAPTER 265 OF 2024 //

(a) (1) In this section the following words have the meanings indicated.

(2) "Current student" means an individual who:

(i) attends a public institution of higher education in the State; and

(ii) is a degree–seeking, full–time equivalent student in an undergraduate level, graduate level, or professional degree program.

(3) "Public institution of higher education" has the meaning stated in § 10–101 of the Education Article.

(4) "Recent graduate" means an individual who, within 5 years before applying for assistance under this section, graduated from a public institution of higher education in the State with at least:

(i) 120 credits in an undergraduate level program; or

(ii) 30 credits in a graduate level or professional degree program.

(b) The Administration 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 under this section; and

(4) utilizes available funding sources.

(c) With reference to loans under this program, the Administration may:

(1) allow home buyers to utilize 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) utilize available funding sources.

(d) The Administration may facilitate the marketing of the program with public institutions of higher education, private employers, county and municipal governments, and, where appropriate, other units of State government and nonprofit organizations with existing funding for the marketing of current programs of the Department, if available.

(e) The Administration shall adopt regulations to carry out this section.

(f) On or before December 31 each year, the Department shall report to the General Assembly, in accordance with § 2–1257 of the State Government Article, on the program established under this section.

§4–216.

For fiscal year 2018 and each fiscal year thereafter, the Governor shall include in the annual budget bill or the capital budget bill an appropriation of $3,000,000 from general funds or the proceeds from the sale of State general obligation bonds for the Shelter and Transitional Housing Facilities Grant Program.

§4–217. IN EFFECT

(a) A project, undertaking, or a part of a project or undertaking, including the real, personal, and mixed property involved, qualifies as a community development project if it is planned, acquired, owned, developed, constructed, reconstructed, rehabilitated, repaired, renovated, or improved to promote sound community development.

(b) A community development project shall provide for:

(1) new or existing housing:

(i) that is or will be occupied in substantial part by families of limited income; or

(ii) at least 20% of which is or will be occupied by families of limited income, if the project is financed with bonds, notes, or other evidences of indebtedness issued by the Administration, the income from which being includable in the holder's gross income under the Internal Revenue Code as determined by the Administration at the time of issue;

(2) any improvements, such as streets, roads, sewer lines, and water lines that are needed to support the housing; and

(3) the public or private commercial, educational, cultural, recreational, community, or civic facilities that are needed to support the housing.

(c) A community development project may include public or private commercial, educational, cultural, recreational, community, or civic facilities that are not needed to support the housing, if:

(1) they are less than a substantial part of the project; or

(2) the Secretary finds that they will promote sound community development.

(d) (1) The Administration shall administer community development projects that:

(i) are in sustainable communities approved under § 6–305 of this article; and

(ii) provide employees with financial assistance in the form of grants to buy homes near their workplaces.

(2) A community development project administered under this subsection is not subject to the provisions of subsection (b)(1) of this section that require part of the housing to be occupied by families of limited income.

(3) The community development projects administered under this subsection shall be known as the "Live Near Your Work" program.

(4) The Secretary shall adopt regulations to implement the "Live Near Your Work" program established under this subsection.

(5) (i) In fiscal year 2007 and fiscal year 2008, the Governor may include in the State budget $250,000 for the "Live Near Your Work" program established under this subsection.

(ii) In fiscal year 2009 and every fiscal year thereafter, the Governor may include in the State budget no less than $250,000 and no more than $500,000 for the "Live Near Your Work" program established under this subsection.

(e) (1) (i) In this subsection the following words have the meanings indicated.

(ii) "Current student" means an individual who:

1. attends a public institution of higher education in the State; and

2. is a degree–seeking, full–time equivalent student in an undergraduate level, graduate level, or professional degree program.

(iii) "Public institution of higher education" has the meaning stated in § 10–101 of the Education Article.

(iv) "Recent graduate" means an individual who, within 5 years before applying for assistance under this section, graduated from a public institution of higher education in the State with at least:

1. 120 credits in an undergraduate level program; or

2. 30 credits in a graduate level or professional degree program.

(2) The Administration may administer community development projects that:

(i) are in sustainable communities approved under § 6–305 of this article; and

(ii) provide current students and recent graduates with financial assistance in the form of grants to buy homes near the school of the student or graduate.

(3) A community development project administered under this subsection is not subject to the provisions of subsection (b)(1) of this section that require part of the housing to be occupied by families of limited income.

(4) The community development projects administered under this subsection shall be known as the Live Near Your School program.

(5) The Administration shall adopt regulations to implement the Live Near Your School program established under this subsection.

§4–217. // EFFECTIVE SEPTEMBER 30, 2030 PER CHAPTER 265 OF 2024 //

(a) A project, undertaking, or a part of a project or undertaking, including the real, personal, and mixed property involved, qualifies as a community development project if it is planned, acquired, owned, developed, constructed, reconstructed, rehabilitated, repaired, renovated, or improved to promote sound community development.

(b) A community development project shall provide for:

(1) new or existing housing:

(i) that is or will be occupied in substantial part by families of limited income; or

(ii) at least 20% of which is or will be occupied by families of limited income, if the project is financed with bonds, notes, or other evidences of indebtedness issued by the Administration, the income from which being includable in the holder's gross income under the Internal Revenue Code as determined by the Administration at the time of issue;

(2) any improvements, such as streets, roads, sewer lines, and water lines that are needed to support the housing; and

(3) the public or private commercial, educational, cultural, recreational, community, or civic facilities that are needed to support the housing.

(c) A community development project may include public or private commercial, educational, cultural, recreational, community, or civic facilities that are not needed to support the housing, if:

(1) they are less than a substantial part of the project; or

(2) the Secretary finds that they will promote sound community development.

(d) (1) The Administration shall administer community development projects that:

(i) are in sustainable communities approved under § 6–305 of this article; and

(ii) provide employees with financial assistance in the form of grants to buy homes near their workplaces.

(2) A community development project administered under this subsection is not subject to the provisions of subsection (b)(1) of this section that require part of the housing to be occupied by families of limited income.

(3) The community development projects administered under this subsection shall be known as the "Live Near Your Work" program.

(4) The Secretary shall adopt regulations to implement the "Live Near Your Work" program established under this subsection.

(5) (i) In fiscal year 2007 and fiscal year 2008, the Governor may include in the State budget $250,000 for the "Live Near Your Work" program established under this subsection.

(ii) In fiscal year 2009 and every fiscal year thereafter, the Governor may include in the State budget no less than $250,000 and no more than $500,000 for the "Live Near Your Work" program established under this subsection.

§4–218.

(a) A project for a residential building qualifies as an energy conservation project if it consists of:

(1) the purchase or installation of:

(i) caulking or weather stripping;

(ii) a clock thermostat;

(iii) ceiling, attic, wall, floor, or duct insulation;

(iv) water heater insulation;

(v) a storm window or door, multiglazed window or door, or heat–absorbing or heat–reflecting window or floor material;

(vi) a device associated with load management techniques;

(vii) an automatic energy control system;

(viii) machinery, equipment, or a facility that uses groundwater as a heat source for a heating system or as a heat sink for an air conditioning system;

(ix) a furnace efficiency modification, including:

1. a replacement burner, furnace, or boiler or any combination of them that increases the energy efficiency of the heating system;

2. a device for modifying a flue opening that increases the energy efficiency of the heating system; and

3. an electrical or mechanical furnace ignition system that replaces a standing gas pilot light; and

(x) any other energy conservation improvement that the Administration determines by regulation to be appropriate and consistent with this subtitle; or

(2) a planning or technical service, a residential energy audit, or a conversion from a master utility meter to individual utility meters if the service, audit, or conversion is related to or undertaken with the installation of an item specified in item (1) of this subsection.

(b) A project for a commercial building qualifies as an energy conservation project if it consists of:

(1) the purchase, installation, or modification of an installation that is designed primarily to reduce the consumption of energy, including:

(i) caulking or weather stripping;

(ii) insulating the building structure or a system in the building;

(iii) a storm window or door, a multiglazed window or door, a heat–absorbing or heat–reflecting window or door system, glazing, a reduction in glass area, or another window or door system modification;

(iv) an automatic energy control system;

(v) equipment that is associated with an automatic energy control system and that is required to operate a variable steam, hydraulic, or ventilation system;

(vi) the replacement or modification of a lighting system to increase energy efficiency without increasing the overall illumination, unless the increase in illumination is necessary to conform to State or local law;

(vii) an energy recovery system;

(viii) a cogeneration system;

(ix) machinery, equipment, or a facility that uses groundwater as a heat source for a heating system or as a heat sink for an air conditioning system;

(x) a modification of a furnace or utility plant and distribution system including:

1. a replacement burner, furnace, or boiler or any combination of them that increases the energy efficiency of the heating system;

2. a device for modifying a flue opening that increases the energy efficiency of the heating system; and

3. an electrical or mechanical furnace ignition system that replaces a standing gas pilot light; or

(xi) any other energy conservation improvement that the Administration determines by regulation to be appropriate and consistent with this subtitle; or

(2) a planning or technical service or a commercial energy audit, if the service or audit is related to or undertaken with the installation, or the modification of an installation, of an item specified in item (1) of this subsection.

§4–219.

(a) A project or undertaking qualifies as a home improvement project if, by improvement, alteration, addition, or repair, it substantially protects or improves the basic liveability of a residential building that will be occupied in substantial part by families of limited income.

(b) A home improvement project for a residential building that contains more than four dwelling units is subject to the provisions of this subtitle that apply to a community development project.

§4–220.

(a) This section does not apply to a facility if a local obligation that finances the facility is a private activity bond under § 141 of the Internal Revenue Code, for which an allocation under § 146 of the Internal Revenue Code is required.

(b) (1) A project, undertaking, or facility qualifies as an infrastructure project if it is planned, acquired, owned, developed, constructed, reconstructed, rehabilitated, or improved by or on behalf of a political subdivision to provide the essential physical elements that are the basis of the public service system.

(2) Infrastructure projects include streets, sidewalks, curbs, sewer and water systems, bridges, and public buildings that are owned by a political subdivision or a governmental unit of a political subdivision.

§4–221.

(a) A project or undertaking, including the real, personal, and mixed property involved, qualifies as a public purpose project if it is planned, acquired, owned, developed, constructed, reconstructed, rehabilitated, repaired, renovated, or improved with the financial assistance of the Administration or the assistance of federal low-income housing credits authorized by the Internal Revenue Code, and it is:

(1) eligible wholly or partly for federal low-income housing credits; or

(2) located in a distressed area designated under subsection (e) of this section.

(b) Except as provided in subsection (c) of this section, a public purpose project:

(1) shall provide in substantial part for existing or new housing; and

(2) may include:

(i) any improvements, such as streets, roads, sewer lines, and water lines; and

(ii) public or private commercial, educational, cultural, recreational, community, or civic facilities.

(c) A public purpose project may include a greater proportion of public or private facilities if the Secretary determines that to do so would promote sound community development.

(d) All or part of the housing portion of a public purpose project shall be occupied by families of limited income.

(e) At the request of a political subdivision, the Secretary may designate a distressed area of the political subdivision after considering factors including:

(1) the availability, cost, and condition of housing and neighborhood facilities, including the age and number of abandoned and substandard structures;

(2) the incomes of residents relative to State or area-wide regional median incomes, including the number of individuals who are welfare recipients, unemployed, or living in poverty;

(3) the need to finance housing or public or private facilities to upgrade the social and economic conditions of the distressed area;

(4) the plans and financial commitment of the political subdivision to undertake improvements in the distressed area; and

(5) other standards and criteria that the Secretary considers relevant, including standards established for other State or federal programs.

§4–222.

(a) A project qualifies as a solar energy project if it:

(1) is an addition, alteration, or improvement to a residential building or a commercial building; and

(2) is designed to reduce the energy requirements of the building by using:

(i) wind energy;

(ii) energy from a wood-burning appliance; or

(iii) solar energy of:

1. the active type based on mechanically forced energy transfer;

2. the passive type based on convective, conductive, or radiant energy transfer; or

3. a combination of these types.

(b) A solar energy project may include:

(1) a solar process heat device;

(2) a solar electric device; and

(3) an earth–sheltered building in which the sheltering substantially reduces the consumption of energy by the building.

(c) A solar energy project may not include a fireplace, unless the fireplace is an integral part of a system designed to use passive solar energy.

§4–223. IN EFFECT

(a) A project qualifies as a business project if the project is:

(1) located in:

(i) an area designated as a priority funding area under § 5–7B–02 of the State Finance and Procurement Article; or

(ii) a qualified opportunity zone designated under § 1400Z–1 of the Internal Revenue Code in Allegany County, Baltimore City, Baltimore County, Charles County, Garrett County, Howard County, Montgomery County, Prince George's County, Somerset County, or Wicomico County; and

(2) (i) acquired, owned, developed, constructed, reconstructed, rehabilitated, or improved by a person or an entity for the purposes of carrying on a business whether or not for profit; or

(ii) eligible for funding from the Neighborhood Business Development Fund under § 6–310 of this article.

(b) Repayment of principal and interest for a business project may be secured by:

(1) real property;

(2) personal property;

(3) bank accounts;

(4) certificates of deposit, stocks, and bonds;

(5) credit enhancement, assurance, or guaranty; or

(6) any other collateral acceptable to the Administration.

(c) Financial assistance for a business project may be provided as:

(1) a loan;

(2) a reduction in the principal obligation of or interest rate on a loan or portion of a loan;

(3) a prepayment of interest on a subordinate or superior loan or portion of a loan;

(4) an assurance;

(5) a guarantee or other form of credit enhancement; or

(6) a promissory note that may be converted to an equity ownership interest and liquidated at the earliest opportunity to realize the highest market value for the Administration.

§4–223. ** TAKES EFFECT JULY 1, 2026 PER CHAPTER 380 OF 2022 **

(a) A project qualifies as a business project if the project is:

(1) located in:

(i) an area designated as a priority funding area under § 5–7B–02 of the State Finance and Procurement Article; or

(ii) a qualified opportunity zone designated under § 1400Z–1 of the Internal Revenue Code in Allegany County, Baltimore City, Baltimore County, Charles County, Garrett County, Howard County, Montgomery County, Prince George's County, Somerset County, or Wicomico County; and

(2) (i) acquired, owned, developed, constructed, reconstructed, rehabilitated, or improved by a person or an entity for the purposes of carrying on a business whether or not for profit; or

(ii) eligible for funding from the Neighborhood Business Development Fund under § 6–310 of this article.

(b) Repayment of principal and interest for a business project may be secured by:

(1) real property;

(2) personal property;

(3) bank accounts;

(4) certificates of deposit, stocks, and bonds;

(5) credit enhancement, assurance, or guaranty; or

(6) any other collateral acceptable to the Administration.

(c) Financial assistance for a business project may be provided as:

(1) a loan;

(2) a reduction in the principal obligation of or interest rate on a loan or portion of a loan;

(3) a prepayment of interest on a subordinate or superior loan or portion of a loan;

(4) an assurance; or

(5) a guarantee or other form of credit enhancement.

§4–225.

(a) The Administration shall administer a program of financial assistance for:

(1) community development projects;

(2) energy conservation projects;

(3) home improvement projects;

(4) public purpose projects;

(5) solar energy projects;

(6) special housing facilities; and

(7) business projects.

(b) The Administration shall provide financial assistance for projects and facilities under this section with money that the Administration can get for them from any source, including:

(1) payments under federal law;

(2) bonds or notes issued by the Administration;

(3) bonds or notes issued by the State; and

(4) mortgage-backed securities and proceeds of investments in them.

(c) A loan for a home improvement project having a principal balance exceeding $5,000 shall be secured by a mortgage.

(d) Subject to an agreement with noteholders or bondholders, the Administration may consent that a loan, loan commitment, or agreement to which the Administration is a party be modified as to:

(1) the interest rate;

(2) the time of payments of an installment of principal or interest;

(3) security; or

(4) any other term.

§4–226.

(a) (1) In connection with property on which it holds a mortgage, the Administration may:

(i) foreclose on the property;

(ii) begin an action to protect or enforce a right conferred on the Administration by law or any agreement;

(iii) bid for and purchase the property at a foreclosure or other sale; and

(iv) acquire and take possession of the property.

(2) In an action under this subsection, the Administration may:

(i) complete, administer, and pay the principal of and interest on an obligation incurred in connection with the property; and

(ii) dispose of and otherwise deal with the property, so as to protect the interests of the Administration.

(b) (1) This subsection does not apply to a lien held in connection with a public purpose project.

(2) The Administration may not lend money on the security of property unless the lien on the property is superior to all other liens, except for:

(i) a lien for taxes owed to the State or a political subdivision; or

(ii) an earlier mortgage lien.

(c) (1) At public or private sale and with or without public bidding, the Administration may sell a mortgage or other obligation that the Administration holds.

(2) The Administration may retain the servicing rights and charge servicing fees for any mortgage or other obligation the Administration sells.

§4–227.

(a) The Administration shall coordinate the promotion of its programs of financial assistance for energy conservation projects with the energy conservation promotion programs of the Maryland Energy Office.

(b) (1) The Administration shall adopt regulations to establish and implement programs of financial assistance for energy conservation projects and solar energy projects.

(2) These regulations shall be consistent with the provisions of this subtitle that generally concern the powers of the Administration to award financial assistance for energy conservation projects and solar energy projects.

(c) The regulations shall include provisions about:

(1) eligibility and application requirements;

(2) interest rates, maximum loan amounts, and the terms of loans;

(3) allocations of money among classes of eligible buildings;

(4) credit and underwriting requirements; and

(5) warranties, representations, forms of security, certifications, inspections, audits, and any other means of ensuring compliance with and enforcing the terms of financial assistance awarded under this subtitle.

§4–228.

(a) To finance infrastructure projects, the Administration may:

(1) make, purchase, and participate in making loans;

(2) purchase local obligations issued to finance such projects; and

(3) provide any other form of financial assistance other than grants.

(b) All transactions under subsection (a) of this section shall be evidenced by instruments containing the terms and conditions necessary to secure payment of all obligations and charges due to the Administration.

(c) Subject to an agreement with holders of its bonds, notes, or other obligations, the Administration may consent that a loan, local obligation, commitment, instrument, or agreement that the Administration holds or to which it is a party may be modified as to:

(1) interest rate;

(2) time of payment of any installment of principal or interest;

(3) security; or

(4) any other term.

(d) (1) In connection with any security that it receives or owns, including a local obligation, the Administration may:

(i) sue to protect or enforce its rights under any law or agreement; or

(ii) acquire or take possession of the security.

(2) If the Administration begins such an action, it may:

(i) administer the security;

(ii) pay the principal and interest on any obligation incurred in connection with the security;

(iii) dispose of the security; and

(iv) otherwise deal with the security so as to protect the Administration's interests.

(e) The Administration may sell a loan, agreement, local obligation, or other obligation that it holds at public or private sale with or without public bidding.

§4–229.

(a) (1) If the Administration purchases a local obligation, the procedures and requirements for the issuance or sale of the local obligation shall be as provided in §§ 4–230 through 4–233 of this subtitle.

(2) Notwithstanding any other public general law or public local law, charter, or ordinance, an issuer of a local obligation may sell a local obligation to the Administration to finance an infrastructure project:

(i) at private or public sale, with or without public bidding;

(ii) without limitation on the denomination of the local obligation; and

(iii) at any interest rate, cost, or price that the issuer considers necessary or desirable.

(3) The issuer of a local obligation may pay any fee or charge necessary for the Administration to:

(i) sell bonds, notes, or other obligations of the Administration;

(ii) provide the financial assistance authorized by § 4–228 of this subtitle;

(iii) provide any other guarantee, credit enhancement, or additional security for a note, bond, or obligation of the Administration; or

(iv) insure obligations of the issuer or of the Administration.

(b) (1) Notwithstanding any other public general law, public local law, charter, or ordinance, to enhance the security or the marketability of the bonds, notes, or obligations of the Administration that are sold to finance an infrastructure project:

(i) a political subdivision may agree with the Administration to pledge any money, including a share of income tax, that the political subdivision is entitled to receive from the State; and

(ii) if a political subdivision is a county, the county may agree with the Administration to pledge, on behalf of a municipal corporation located in the county, any money, including a share of income tax, that the county is entitled to receive from the State.

(2) In accordance with a pledge under paragraph (1) of this subsection, the Comptroller and the State Treasurer shall cause the money pledged to be paid to the Administration or a trustee that the Administration designates.

§4–230.

(a) (1) Notwithstanding any other public general law, or public local law, charter, or ordinance, a political subdivision or a governmental unit of a political subdivision may issue a local obligation to be purchased by the Administration for infrastructure projects.

(2) A local obligation shall be issued in accordance with this section.

(3) Each local obligation must be authorized by resolution or ordinance of the governing body of the issuer.

(b) (1) Before a local obligation is issued under this section:

(i) the issuer shall publish a notice of the proposed issuance in a newspaper of general circulation in the jurisdiction of the issuer; and

(ii) the governing body of the issuer shall hold a public hearing on the proposed issuance.

(2) The notice shall include the proposed amount of the issue, the nature of the infrastructure project to be financed, the time and place of the public hearing, and the name and address of the governing body where written comments may be sent.

§4–231.

(a) A resolution or ordinance that authorizes a local obligation shall contain:

(1) a statement of the public purpose for which the proceeds of the local obligation are to be spent;

(2) the form of the local obligation, including:

(i) each place and time of payment;

(ii) each interest rate or maximum interest rate;

(iii) the titles of the officials whose signatures shall be on it;

(iv) a reference to this part as the authority for issuing it; and

(v) the taxes or special revenues from which the principal and interest will be payable;

(3) a provision for the disposition of the proceeds of sale of the local obligation;

(4) a provision that the principal and interest shall be payable to the Administration or its designee;

(5) a provision for payment of the principal and interest that specifies each source of payment;

(6) a provision that the local obligation is a valid and binding obligation of the issuer in accordance with its terms even if an official whose signature appears on the local obligation:

(i) ceases to be an official before the local obligation is delivered; or

(ii) becomes an official after the date of the issue; and

(7) any other provision that is not inconsistent with this subsection and that the governing body of the issuer considers appropriate, including a provision that:

(i) the chief elected official of the issuer may modify the forms adopted by the resolution or ordinance without altering the substance of the forms;

(ii) the official signatures and seals to be affixed to a local obligation may be imprinted in facsimile, except for the signature of the clerk or secretary of the issuer, which shall be affixed manually;

(iii) subject to terms that the Administration specifies, if the local obligation contains a statement of redemption provisions that is acceptable to the Administration all or a portion of a local obligation is redeemable at the option of the issuer at any time before maturity at the price, at or above the par value of the local obligation, that is acceptable to the Administration and set in the enabling resolution or ordinance; and

(iv) a local obligation may be in any denomination that is acceptable to the Administration and shall be in fully registered form.

(b) A provision under subsection (a)(5) of this section is a covenant binding the issuer to provide the money from the specified source or sources when principal and interest become due and payable.

(c) (1) A local obligation that an issuer issues under this part shall have all the attributes of a negotiable instrument under § 19–224 of the Local Government Article.

(2) The principal of and interest on a local obligation in the hands of its owner are exempt from taxation by the State or a political subdivision.

§4–232.

(a) (1) Each ordinance or resolution enacted under this section:

(i) shall be adopted by the governing body of the issuer;

(ii) shall be approved by the chief executive officer, if any, of the issuer; and

(iii) shall have the force of law.

(2) Except as provided in subsection (b) of this section, an ordinance, a resolution, or the question of the issuance of local obligations authorized by an ordinance or resolution need not be submitted to a referendum of the qualified voters of the issuer.

(b) The qualified voters of a political subdivision may petition to referendum an ordinance or resolution that authorizes the issuance of local obligations, if:

(1) the charter of the political subdivision authorizes the voters to do so; and

(2) the petition is filed not later than 20 days after the ordinance or resolution is adopted by the governing body of the political subdivision.

(c) An ordinance or resolution authorizing the issuance of local obligations:

(1) may be adopted at the public hearing required under § 4-230(b) of this subtitle or at another regular or special session of the governing body; and

(2) shall be effective on the date adopted and approved.

§4–232.1.

(a) Each issuance by a municipal corporation of a local obligation under § 4–230 of this subtitle may be secured by a pledge from the county in which the municipal corporation is located.

(b) To secure a local obligation under § 4–230 of this subtitle, a county may pledge on behalf of a municipal corporation located in the county:

(1) the faith and credit of the county; or

(2) specific revenue of the county.

(c) (1) A pledge by a county under this section shall be authorized by an ordinance or a resolution of the county.

(2) Each ordinance or resolution enacted under this section shall:

(i) be adopted by the governing body of the county;

(ii) be approved by the chief executive officer, if any, of the county; and

(iii) have the force of law.

(d) (1) Subject to paragraph (2) of this subsection, if a local obligation is secured under this section by a pledge of the faith and credit of a county to make prompt payment from the tax and other revenues described in the enabling resolution or ordinance:

(i) the pledge is a covenant to levy taxes sufficient to pay the principal of and interest on the local obligation when due:

1. on all real and tangible personal property that is within the corporate limits of the county and subject to assessment for unlimited ad valorem taxation; and

2. in each year in which the local obligation is outstanding; and

(ii) if at the time of issuance of a local obligation there is a charter or statutory limit on the power of the county to levy property taxes, the pledge is a covenant to levy ad valorem taxes, within that limit, sufficient to pay the principal of and interest on the local obligation:

1. on all real and tangible personal property that is within the corporate limits of the county and subject to assessment for ad valorem taxation; and

2. in each year in which the local obligation is outstanding.

(2) (i) A county may not make a pledge under this section if the pledge would cause the county to exceed any limit set, by the charter of the county or by statute, on the power of the county to make the pledge.

(ii) Notwithstanding subparagraph (i) of this paragraph, a limit on the power of a county to make a pledge that is imposed after the issuance of a local obligation that is secured by a pledge under this section does not affect that local obligation.

(e) If a local obligation is secured under this section by a pledge of specific revenue of a county, the specific revenue of the county may include:

(1) payments to the issuer from the State or federal government;

(2) special benefit assessments, taxes, fees, or service charges that the county has authority to impose, levy, or charge; and

(3) revenue of the county expected to be generated by the infrastructure project to be financed.

§4–233.

(a) Each issuance of a local obligation under § 4-230 of this subtitle shall be secured by, at the discretion of the Administration, a pledge of the faith and credit of the issuer or a pledge of specific revenue of the issuer or the facility being financed as designated and described in the authorizing ordinance or resolution.

(b) If a local obligation is secured by a pledge of the faith and credit of the issuer to make prompt payment from the tax and other revenues described in the enabling resolution or ordinance:

(1) the pledge is a covenant to levy taxes sufficient to pay the principal of and interest on the local obligation when due:

(i) on all real and tangible personal property that is within the issuer's corporate limits and subject to assessment for unlimited ad valorem taxation; and

(ii) in each year in which the local obligation is outstanding;

(2) if at the time of issuance of a local obligation there is a charter or statutory limit on the power of the issuer to levy property taxes, the pledge is a covenant to levy ad valorem taxes, within that limit, sufficient to pay the principal of and interest on the local obligation:

(i) on all real and tangible personal property that is within the issuer's corporate limits and subject to assessment for ad valorem taxation; and

(ii) in each year in which the local obligation is outstanding;

(3) a local obligation may not be issued if the issuance would cause the issuer to exceed any limit set by the charter of the issuer or by statute on the power of the issuer to incur indebtedness; and

(4) notwithstanding item (3) of this subsection:

(i) a limit on the power to incur indebtedness imposed after the issuance of a local obligation does not affect that obligation; and

(ii) outstanding local obligations of an issuer are not affected by the issuance of a new local obligation if the new obligation is consistent with an increase in or the elimination of a limit on the power to incur indebtedness.

(c) (1) An issuer of a local obligation under § 4-230 of this subtitle may secure payment by the pledge of specific revenues of the issuer.

(2) If a local obligation issued under § 4-230 of this subtitle is secured by the pledge of specific revenue, the specific revenue may include:

(i) payments to the issuer from the State or federal government;

(ii) special benefit assessments, taxes, fees, or service charges that the issuer has authority to impose, levy, or charge; or

(iii) revenue expected to be generated by the facility to be financed.

§4–233.1.

(a) (1) In this section the following words have the meanings indicated.

(2) "Capital reserve fund" means a reserve fund created under this section.

(3) "Minimum capital reserve requirement" means the minimum capital reserve amount established by the Administration for a capital reserve fund in connection with the issuance of bonds, notes, or other obligations of the

Administration in connection with the financing of one or more infrastructure projects.

(b) The Administration may establish one or more capital reserve funds in connection with the financing of one or more infrastructure projects.

(c) Money in a capital reserve fund shall be used solely to pay the principal of, and premium and interest on, the bonds, notes, or other obligations of the Administration:

(1) secured by the capital reserve fund; and

(2) issued in connection with financing infrastructure projects.

(d) A capital reserve fund may consist of:

(1) money appropriated in the State budget for the purposes of the capital reserve fund;

(2) proceeds of a sale of bonds, notes, or other obligations of the Administration or the State;

(3) investment earnings of the capital reserve fund; and

(4) any other money from any other source accepted for the benefit of a capital reserve fund.

(e) (1) If the balance of a capital reserve fund is less than the minimum capital reserve requirement established by the Administration for that fund, the Administration:

(i) may not use money from the fund for the optional purchase or redemption of a bond, note, or other obligation of the Administration; and

(ii) shall replenish the fund from available operating revenue generated by infrastructure projects or funds provided by the State.

(2) If available operating revenue generated by infrastructure projects and funds provided by the State are insufficient to replenish a capital reserve fund as required under paragraph (1) of this subsection, the Administration shall request that the Comptroller advance the contingent funding to replenish the capital reserve fund as provided in the Local Government Infrastructure Financing Program Capital Reserve Fund Loan of 2009 (Chapter 719 (S.B. 932/H.B. 1330) of the Acts of the General Assembly of 2009) or any other bond bill enabling act for this purpose.

(f) (1) Except as provided in paragraph (2) of this subsection, the Administration may not issue bonds, notes, or other obligations secured in whole or in part by a capital reserve fund if on issuance the amount in the capital reserve fund will be less than the minimum capital reserve requirement.

(2) The limitation under paragraph (1) of this subsection does not apply if at the time of issuance an amount is deposited in the capital reserve fund so that on issuance the total amount in the capital reserve fund will be at least equal to the minimum capital reserve requirement.

§4–234.

(a) In this section, "government–sponsored enterprise" means the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank, or other agency or instrumentality of or chartered by the federal government that has similar powers.

(b) (1) To finance community development projects, public purpose projects, or residential mortgage loans, the Administration may purchase or issue securities that are backed by mortgage loans and guaranteed by the Government National Mortgage Association or a government–sponsored enterprise.

(2) To finance business projects, the Administration may purchase or issue securities that are backed by loans or other obligations.

(c) (1) Notwithstanding inconsistent provisions of this subtitle relating to bonds or notes that the Administration purchases or issues, the issuance, terms, and conditions of a security that the Administration issues under this section may be as the Administration finds necessary or desirable for guaranty by:

(i) the Government National Mortgage Association or a government–sponsored enterprise, for projects or loans described under subsection (b)(1) of this section; or

(ii) the Maryland Housing Fund, a private entity, or a government–sponsored enterprise, for projects described under subsection (b)(2) of this section.

(2) Except as provided by paragraph (1) of this subsection, the provisions of this subtitle that relate to bonds or notes issued by the Administration apply to securities purchased or issued under this section.

§4–235.

(a) (1) In this section the following words have the meanings indicated.

(2) "Mortgage loan" includes a loan to:

(i) finance or refinance the purchase of stock or membership in a cooperative ownership housing corporation; or

(ii) rehabilitate units in a cooperative ownership housing corporation.

(3) "Reverse equity mortgage loan" includes a loan that uses the equity in a home as collateral.

(b) (1) The Administration may make, participate in making, and undertake a commitment for:

(i) a residential mortgage loan to a family of limited income:

1. for a family that has a disabled family member who will reside in the dwelling;

2. for an emergency housing need as determined by the Secretary;

3. for settlement and down payment costs; or

4. that is made in conjunction with a loan funded with State appropriated funds if the State appropriated funded loan comprises at least 20% of the total amount loaned;

(ii) financial assistance to a family of limited income:

1. for maintaining or modifying its existing residential mortgage loan; or

2. that is made in conjunction with a new residential mortgage loan to enable a homeowner to refinance an existing residential mortgage loan;

(iii) the refinancing of a residential mortgage loan of a homeowner if the loan was made by the Department or Administration; and

(iv) financial assistance to a homeowner for:

1. purchasing the homeowner's primary residence and making payments on the homeowner's student loan debt; or

2. making payments on the homeowner's student loan debt in conjunction with the homeowner obtaining separate financial assistance from a source other than the Administration for purchasing the homeowner's primary residence.

(2) The Secretary shall determine the terms and qualifications for financial assistance under paragraph (1) of this subsection.

(c) (1) In accordance with § 4–213 of this subtitle, the Administration may make, participate in making, purchase, and undertake a commitment for:

(i) a mortgage loan or other financial assistance secured by a mortgage lien for a community development project or public purpose project; and

(ii) a reverse equity mortgage loan secured by a mortgage lien that is for housing related expenses of an elderly household that qualifies as a family of limited income.

(2) Financial assistance to purchase a dwelling unit in a community development project or public purpose project under paragraph (1)(i) of this subsection may include a temporary loan or advance and a permanent direct mortgage loan to a family of limited income, if otherwise required by law.

(3) Housing related expenses under paragraph (1)(ii) of this subsection include personal expenses that enable the owner to continue to occupy the owner's home.

(d) (1) A commitment, mortgage, bond, or secured note shall contain terms and conditions necessary to secure repayment of its loan, the interest on it, and other charges in connection with the loan.

(2) (i) Except as provided in subparagraph (ii) of this paragraph, a mortgage loan for a community development project or a public purpose project and a reverse equity mortgage loan may bear interest at a rate or rates that the Administration finds will make the project economically feasible.

(ii) The Administration may not increase the interest rate originally charged on a permanent direct mortgage loan to a family for the purchase of a dwelling unit in a community development project or a public purpose project.

(3) Subject to any agreement with noteholders or bondholders, the Administration may consent to the modification of the interest rate, time of payment of any installment of principal or interest, security, or any other term, of a mortgage, mortgage loan, reverse equity mortgage loan, mortgage loan commitment, or reverse equity mortgage loan commitment, contract, or agreement to which the Administration is a party.

(e) In connection with property on which it holds a mortgage loan or reverse equity mortgage loan:

(1) the Administration may:

(i) foreclose on the property or begin an action to protect or enforce a right that is conferred on the Administration by law, a mortgage contract, or other agreement;

(ii) bid for and purchase the property at a foreclosure or other sale; or

(iii) acquire or take possession of the property; and

(2) in a manner to protect the interests of the Administration, the Administration may:

(i) complete, administer, and pay the principal of and interest on an obligation incurred in connection with the property;

(ii) dispose of the property; and

(iii) otherwise deal with the property.

(f) (1) This subsection does not apply to a lien held in connection with a public purpose project.

(2) The Administration may not lend money on the security of property unless the lien on the property is superior to all other liens, except for:

(i) liens for taxes owed to the State or a political subdivision; or

(ii) earlier mortgage liens.

(g) The Administration may:

(1) sell any mortgage or other obligation that it holds, at public or private sale, with or without public bidding; and

(2) retain the servicing rights and charge servicing fees for any mortgage or other obligation the Administration sells.

(h) The Administration may purchase securities backed by mortgages to provide financial assistance to community development projects and public purpose projects and to finance residential mortgage loans with the proceeds of the securities or with investment earnings on the securities.

§4–236.

In carrying out this section and §§ 4-237 through 4-241 of this subtitle, the Administration may not make a loan to a mortgage lender or purchase a mortgage loan from a mortgage lender unless the mortgage lender is:

(1) a bank, trust company, savings institution, savings and loan association, national bank association, mortgage banker, or other financial institution that:

(i) has an office in the State; and

(ii) makes or originates residential mortgage loans;

(2) an insurance company authorized to do business in the State; or

(3) the Maryland Home Financing Program.

§4–237.

(a) The Administration may:

(1) purchase or commit to purchase, from a mortgage lender that is eligible under § 4–236 of this subtitle, a note, mortgage, or partial interest in a note or mortgage that evidences:

(i) a residential mortgage loan to a family of limited income;

(ii) a mortgage loan to a sponsor of a community development project or a public purpose project;

(iii) a residential mortgage loan to a homeowner for the purchase or rehabilitation of the homeowner's primary residence if the primary residence is located in a sustainable community;

(iv) a residential mortgage loan for the refinancing of a residential mortgage loan made by the Department or Administration; or

(v) a residential mortgage loan to a homeowner for:

1. purchasing the homeowner's primary residence and making payments on the homeowner's student loan debt; or

2. purchasing the homeowner's primary residence in conjunction with the homeowner obtaining separate financial assistance from the Administration for making payments on the homeowner's student loan debt;

(2) make a loan to an eligible mortgage lender in accordance with this subtitle;

(3) finance, with proceeds of its revenue bonds or notes, all or part of a mortgage purchase program or a loan to a mortgage lenders program; and

(4) take any action necessary or convenient to carry out this subsection, including:

(i) settling or compromising an obligation or debt to the Administration, subject to any agreement with bondholders;

(ii) acquiring an interest in real or personal property by gift, purchase, foreclosure, or otherwise, and selling or otherwise disposing of the property;

(iii) obtaining insurance against loss in connection with its property and other assets, including mortgage loans, in the amount and from the insurer that the Administration considers desirable;

(iv) contracting for servicing of a mortgage loan or an interest in a mortgage loan that the Administration holds or takes as collateral; and

(v) making a contract or commitment that relates to the exercise of any of the powers listed in this subsection.

(b) The Administration may adopt regulations or program directives, as appropriate, to carry out this section, including:

(1) procedures to submit requests for the purchase or sale of mortgage loans or for loans to the eligible mortgage lenders;

(2) restrictions as to the number of family units, locations, or other qualifications or characteristics of dwellings to be financed by residential mortgage loans;

(3) restrictions as to:

(i) the interest rates on loans made from the proceeds of purchases of mortgage loans or from the proceeds of loans to eligible mortgage lenders; or

(ii) returns realized by eligible mortgage lenders;

(4) restrictions on maturities and other terms of loans made from the proceeds of purchases of mortgage loans or from the proceeds of loans to eligible mortgage lenders;

(5) requirements as to the application by eligible mortgage lenders of the proceeds of the purchases or loans;

(6) schedules of fees and charges necessary to provide for expenses and reserves of the Administration;

(7) standards for allocating money among areas of the State and among eligible mortgage lenders; and

(8) provisions on warranties, representations, certifications, rights of inspection and audit, program sanctions, and other methods of ensuring compliance with the terms of purchase commitments and loans.

§4–238.

(a) (1) New mortgage loans that the Administration purchases shall be loans to:

(i) families of limited income;

(ii) sponsors of community development projects; or

(iii) homeowners:

1. with primary residences located in sustainable communities;

2. who refinance a residential mortgage loan made by the Department or Administration; or

3. who use the loan proceeds to:

A. purchase the homeowner's primary residence and make payments on the homeowner's student loan debt; or

B. purchase the homeowner's primary residence in conjunction with the homeowner obtaining separate financial assistance from the Administration for making payments on the homeowner's student loan debt.

(2) A commitment that the Administration makes to purchase new mortgage loans shall specify:

(i) the interest rate on loans eligible for purchase, which may not exceed the prevailing interest rate on comparable mortgage loans available in the State, independent of public assistance or purchase; and

(ii) the numbers or volumes of loans under the commitment to be made in specific geographic areas.

(3) For any residential mortgage loans to be used to acquire homes for families of limited income, the commitment shall be limited to loans of a specified amount per dwelling unit, based on the current average sale price of new homes in the area, as determined by the Administration.

(b) A commitment that the Administration makes to purchase existing mortgages shall require that the proceeds of the purchase be:

(1) reinvested, within specified time limits, in new mortgage loans to:

(i) families of limited income; or

(ii) sponsors of community development projects; or

(2) invested in short-term obligations pending the purchase or making of the mortgages.

§4–239.

(a) (1) A loan from the Administration to an eligible mortgage lender shall require the eligible mortgage lender to make mortgage loans in principal amounts that add up to at least the amount of the loan from the Administration to:

(i) families of limited income; or

(ii) sponsors of community development projects.

(2) After receiving the loan from the Administration, the eligible mortgage lender shall commit the amount of the mortgage loans required by paragraph (1) of this subsection within the time the Administration sets.

(b) (1) A loan from the Administration to a mortgage lender is a general obligation of the mortgage lender as to repayment of principal and interest.

(2) Repayment of principal and interest shall be secured by a pledge of and lien on collateral security in an amount that the Administration by regulation determines to be necessary to secure the loan.

(c) (1) The collateral security shall consist of:

(i) obligations of or guaranteed by the United States, the State, or a political subdivision;

(ii) obligations issued by a unit of the federal government that are satisfactory to the Administration;

(iii) certificates of deposit, time deposits, or similar banking arrangements secured by obligations of or guaranteed by the United States or the State;

(iv) mortgages insured or guaranteed entirely or partly by the Maryland Housing Fund, a unit of the federal government, or a private insurer that the Administration approves; or

(v) other mortgages that the Administration finds to be of reasonably comparable security.

(2) The Administration shall require that:

(i) the collateral be held by a bank or trust company as independent custodian; or

(ii) the mortgage lender enter into a security agreement containing provisions that the Administration considers necessary to identify, maintain, and service the collateral.

(d) (1) The security agreement shall:

(i) provide that the mortgage lender:

1. holds the collateral as an agent for the Administration; and

2. is accountable as the trustee of an express trust for the application and disposition of the collateral; and

(ii) require that the income from the collateral be applied only in accordance with the agreement.

(2) A copy of each security agreement shall be filed with the Secretary of State.

(3) Further filing or other action under the Commercial Law Article or any other law of the State is not required to perfect the security interest of the Administration in the collateral or its proceeds or in any addition to or substitution for the collateral or its proceeds.

(4) Once filed, liens and trusts created for the benefit of the Administration under this subsection are binding against each person with a claim against the mortgage lender.

(5) The Administration may establish additional requirements for pledging, assigning, setting aside, or holding the collateral, and making substitutions for or additions to it, and disposing of interest and income from it.

(6) Notwithstanding any other law, a loan to a mortgage lender and the collateral for it are not subject to §§ 17–101 and 17–102 of the Local Government Article or to § 6–202, § 6–205, § 6–206, § 6–209, or § 6–210 of the State Finance and Procurement Article.

§4–240.

(a) Except as provided in subsection (c) of this section, a mortgage lender shall make a certificate under this section for every residential mortgage loan that the lender makes under a purchase commitment by the Administration with:

(1) the proceeds of purchase of a mortgage loan by the Administration; or

(2) the proceeds of a loan from the Administration.

(b) The certificate shall state that in the mortgage lender's opinion, based on information given by the mortgagor and on the lender's knowledge of the prevailing terms and standards of mortgage lending in the area, the mortgagor could not get a mortgage loan on the property in the unassisted private lending market.

(c) The Secretary may waive the requirement for the mortgage lender's certificate for a residential mortgage loan to a homeowner:

(1) if the homeowner's primary residence is located in a sustainable community, for the purchase or rehabilitation of the homeowner's primary residence;

(2) for the refinancing of a residential mortgage loan of the homeowner if the loan was made by the Department or Administration; or

(3) for either of the purposes specified in § 4–237(a)(1)(v) of this subtitle.

§4–241.

Except as required to qualify for insurance or guaranty by the federal government, a residential mortgage loan may not be assigned to or assumed by a person not qualified under the appropriate Administration program if the residential mortgage loan is:

(1) a new loan that the Administration purchases or in which the Administration purchases an interest;

(2) a loan made with the proceeds of purchase by the Administration of a residential mortgage; or

(3) a loan made with the proceeds of a loan from the Administration to a mortgage lender.

§4–242.

In providing financial assistance to a homeowner that includes the purchase of the homeowner's primary residence and payments on the homeowner's student loan debt, the Administration shall give priority to selling residential property that is owned by the Administration.

§4–244.

(a) The Administration may provide financial assistance, meet any development cost, or carry out any other of its purposes by spending:

(1) money appropriated by the General Assembly;

(2) the proceeds of a State loan to the extent provided by the General Assembly or a governmental unit authorized to issue bonds;

(3) the proceeds of the bonds, notes, or other evidences of indebtedness that the Administration issues, payable solely from revenues of the Administration as provided in this part; or

(4) any other money available to the Administration for community development under this subtitle:

(i) from its own operations;

(ii) from investment of the proceeds of its bonds, notes, or other indebtedness; or

(iii) from any other public or private source.

(b) (1) Except as otherwise provided in a determination made under this section, the Administration shall deposit with the State Treasurer any money that it does not need to meet current expenses and obligations.

(2) The State Treasurer shall:

(i) credit the money to the Administration;

(ii) invest the money as provided by statute; and

(iii) credit earnings from the money to the Administration.

§4–245.

(a) (1) The Administration may:

(i) borrow money and issue bonds or notes; and

(ii) use the proceeds or the earnings from the investment of the proceeds to provide money to:

1. make, purchase, or participate in making mortgage loans or other loans;

2. purchase securities backed by mortgage loans or other loans;

3. purchase local obligations;

4. meet any development cost; or

5. achieve any other purpose of the Administration.

(2) Bonds or notes may be issued only if:

(i) the Director, or a person that the Secretary designates, determines that the issuance is necessary to achieve one or more purposes of the Administration; and

(ii) the Secretary approves the determination.

(3) Without any other proceeding, action, or approval, the determination is effective when approved by the Secretary and is conclusive.

(b) For bonds or notes of any issue, the Administration has absolute discretion to determine:

(1) the date, amount, and manner of issue, including private sale;

(2) the date of maturity, which:

(i) for a bond, may not be more than 50 years after the bond is issued; and

(ii) for a note, including renewals, may not be more than 5 years after the note is originally issued;

(3) the price to be paid, whether above, at, or below par, the interest rate to be paid, and the dates of payment;

(4) the form, denomination, and manner of execution, which may be by facsimile;

(5) the place of payment, which may be any bank or trust company in or out of the State;

(6) whether they are redeemable before maturity and, if so, the terms, conditions, and prices of the redemption; and

(7) any other matter relating to the form, terms, conditions, security, issuance, sale, delivery, replacement, and indemnification in connection with replacement or payment.

(c) A bond or note issued under this section is a negotiable instrument under State law notwithstanding any other provision of the Code or any recital in the bond or note.

(d) The manual or facsimile signature of an officer or employee of the Administration that appears on a bond, note, or coupon is valid even if the individual leaves office or employment before delivery of the bond, note, or coupon.

(e) The Administration may:

(1) issue its bonds or notes in coupon or registered form or both; and

(2) provide for:

(i) registration of coupon bonds or notes as to principal only or as to both principal and interest;

(ii) reconversion into coupon form of bonds or notes registered as to both principal and interest; and

(iii) interchange of coupon and registered bonds or notes.

(f) A bond or note issued under this section is exempt from §§ 8-206, 8-208, and 8-213 through 8-221 of the State Finance and Procurement Article.

(g) The Administration may issue a bond or note without:

(1) the consent of another governmental unit of the State; or

(2) a proceeding, or the occurrence of a condition, other than those that this section expressly requires.

(h) The Secretary and any other person executing a bond or note under this section are not personally liable or accountable because the bond or note is issued.

§4–246.

(a) By written determination, the Administration may provide for the issuance of notes to renew its notes, and bonds to pay its notes or to fund or refund its bonds, whether or not the bonds to be refunded have matured, including the payment of any redemption premium and any interest accrued or to accrue on the notes or bonds to be renewed, paid, or refunded.

(b) The issuance and incidents of renewal notes and refunding bonds are governed by applicable provisions of this part.

§4–247.

(a) (1) Bonds or notes that the Administration issues may be secured by a trust agreement between the Administration and a trustee that is in or out of the State.

(2) A trustee shall be a trust company or a bank with trust powers.

(b) A trust agreement or a determination authorizing the issuance of bonds or notes may contain:

(1) subject to then–existing agreements with bondholders or noteholders, provisions to secure payment of bonds or notes by pledging or assigning:

(i) any of the revenues of the Administration;

(ii) a mortgage that the Administration holds, a loan that the Administration has made, or security for the mortgage or loan;

(iii) the proceeds of a bond or note of the Administration; or

(iv) any combination of these and other assets of the Administration;

(2) provisions to protect and enforce rights and remedies of bondholders or noteholders, and covenants stating the duties of or restrictions on the Administration;

(3) provisions restricting the rights of bondholders or noteholders;

(4) provisions that appoint one or more trust companies or banks with trust powers to act as depositaries of the proceeds of bonds or notes or of any revenues or money of the Administration, with any indemnifying bonds or securities required by the Administration allowed to be given or pledged by any depositary bank or trust company incorporated in the State;

(5) provisions on the custody, safeguarding, and application of money of the Administration;

(6) provisions on investments of money of the Administration as the Administration provides, notwithstanding §§ 17–101 and 17–102 of the Local Government Article and §§ 6–202, 6–205, 6–206, 6–209, and 6–210 of the State Finance and Procurement Article;

(7) provisions that establish and control all aspects of reserves, including debt service reserves;

(8) provisions for funding or refunding bonds or notes, including redemption premiums and interest; and

(9) any other provisions that are reasonable and proper for the security of bondholders or noteholders.

§4–248.

(a) (1) The interest rate or rates on and the terms of any loans and the revenues from the terms of any other assets that are financed from the proceeds of bonds or notes of the Administration, any fees that the Administration charges, and any other available revenues shall be at least sufficient to ensure repayment in full of the principal of and interest on the bonds or notes as and when due.

(2) Any pledge that the Administration makes is valid and binding from the time the pledge is made.

(b) The lien of the pledge:

(1) immediately attaches, without any physical delivery or further act, to revenues or property so pledged and later received by the Administration; and

(2) is valid and binding against each person having a claim against the Administration whether or not:

(i) the person has notice of the lien of the pledge; or

(ii) the determination or any other instrument has been recorded or filed.

§4–249.

(a) Subject to agreements with noteholders or bondholders, the Administration may purchase its notes or bonds with any money available for the purchase.

(b) The purchase price may not exceed:

(1) the redemption price at the time of the purchase, plus accrued interest to the next interest payment date, if the note or bond is redeemable, at the time of the purchase; or

(2) the redemption price on the first date after the purchase on which the note or bond becomes redeemable, plus accrued interest to that date, if the note or bond is not redeemable at the time of the purchase.

(c) When the Administration purchases its note or bond, the note or bond shall be canceled.

§4–250.

(a) A bond or note issued by the Administration under this part is a legal and proper investment for:

(1) a public officer, a political subdivision, or a governmental unit;

(2) a bank, trust company, savings and loan association, investment company, or other person doing a banking business;

(3) an insurance company, insurance association, or other person doing an insurance business;

(4) a personal representative, guardian, trustee, or other fiduciary; or

(5) any other person.

(b) For any purpose for which the deposit of a bond or other obligation of the State is authorized by law, a bond issued by the Administration under this part is a security that may legally and properly be deposited with and received by a public officer, a political subdivision, or a governmental unit.

§4–251.

(a) A bond or note issued under this part:

(1) is not a debt of and does not pledge the faith, credit, or taxing power of the State, the Administration, or a political subdivision; but

(2) is payable only from the revenues and property provided for in this subtitle.

(b) Each bond or note shall state on its face the provisions of subsection (a) of this section.

§4–252.

The following are exempt at all times from taxation of every kind and nature whatsoever by the State, a political subdivision, or a governmental unit of any kind:

(1) a bond or note that the Administration issues under this part;

(2) the transfer of, interest payable on, or income derived from the bond or note; and

(3) profit realized by the sale or exchange of the bond or note.

§4–253.

To improve the management of debt issued under the provisions of this part or to reduce the cost of servicing the debt, the Administration may enter into interest rate exchange agreements or contracts providing for payments based on levels of or changes in interest rates.

§4–255.

(a) A person may not knowingly make or cause to be made a false statement or report in a document required to be submitted to the Administration by an agreement relating to a loan.

(b) A person applying for a loan may not knowingly make or cause to be made a false statement or report to influence the action of the Administration on a loan application or to influence an action of the Administration affecting a loan already made.

(c) A person who violates this section is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 5 years or a fine not exceeding $50,000 or both.

§4–301.

(a) In this subtitle the following words have the meanings indicated.

(b) "Eligible homebuyer" means an individual who meets the qualifications under § 4-305 of this subtitle.

(c) "Fund" means the Homeownership Programs Fund.

(d) (1) "Homebuyer education" means instruction in preparing for homeownership, shopping for a home, getting a mortgage loan, loan closing, and life as a homeowner.

(2) "Homebuyer education" includes housing counseling.

(e) "Program" means the Down Payment and Settlement Expense Loan Program.

(f) "Program loan" means a loan that the Department makes under this subtitle.

(g) (1) "Settlement expenses" means money that must be paid at the time of the purchase of real estate.

(2) "Settlement expenses" includes:

(i) fees and premiums for title examination, title insurance, and similar expenses;

(ii) fees for preparing deeds, settlement statements, and other documents;

(iii) payments owed at settlement for property taxes and hazard insurance coverage;

(iv) escrows for future payments of taxes and hazard insurance;

(v) fees for notarizing deeds and other documents;

(vi) appraisal fees;

(vii) fees for credit reports;

(viii) transfer and recordation taxes and fees;

(ix) fees and premiums for mortgage insurance; and

(x) loan discount points and origination fees.

§4–302.

There is a Down Payment and Settlement Expense Loan Program.

§4–303.

The purpose of the Program is to provide financing for down payment and settlement expenses to enable eligible homebuyers to purchase homes.

§4–304.

(a) The Department may:

(1) charge an application fee or other fee to a Program loan applicant or lender;

(2) purchase or make commitments to purchase Program loans made by mortgage lenders;

(3) make contracts with third parties to make or service mortgage Program loans made for the Department;

(4) acquire any property that secures a Program loan under this subtitle by gift, purchase, foreclosure, or otherwise, and sell or otherwise dispose of the property or an interest in the property;

(5) delegate to a political subdivision any administrative or operational element of the Program not assigned to the Department under subsection (b) of this section;

(6) take any other action necessary or convenient to operate the Program; and

(7) require a political subdivision that administers its own down payment and settlement expense loan program to inform the Department of the political subdivision's homebuyer education requirements.

(b) The Department shall:

(1) administer the Program;

(2) attach to a Program loan the terms needed to carry out the Program;

(3) establish eligibility standards for Program loans, considering State, regional, and county housing costs, median incomes, and household sizes;

(4) establish guidelines to determine what parts of the down payment and settlement expenses may be covered by the Program loan; and

(5) adopt regulations to carry out the Program.

(c) The sale or purchase of property that the Department acquires or disposes of under this section need not be approved or executed by the Board of Public Works or the Department of General Services.

§4–305.

An individual qualifies as an eligible homebuyer if the individual:

(1) will purchase and occupy a single-unit principal residence and has household income not exceeding upper limits that the Secretary establishes; or

(2) will purchase and occupy a residential building with no more than four units and agrees to rent all units other than the owner's unit to households with income not exceeding upper limits that the Secretary establishes.

§4–306.

The Program shall be operated with money in the Fund.

§4–307.

(a) Proceeds of a Program loan shall be used only to make a down payment or pay settlement expenses for an eligible homebuyer to purchase a personal residence.

(b) A Program loan shall be secured by a mortgage lien that:

(1) may be subordinate to other mortgage liens; and

(2) may include terms, including deferred payment of principal and interest, that the Department considers necessary to make housing purchases affordable to eligible homebuyers.

(c) In reviewing an application for a Program loan, the Department shall:

(1) consider the eligible homebuyer's financial resources, including savings available to make a down payment or pay settlement expenses, in relation to:

(i) the purchase price of the home; and

(ii) the down payment requirements of the lender; and

(2) give high priority to eligible homebuyers of low income within the income limits established under § 4-304(b)(3) of this subtitle.

(d) Notwithstanding any other law, the Department may require that Program loans become due and payable on the later sale or transfer of the property, but the Department may allow an eligible homebuyer who purchases the property to assume the Program loan.

(e) If a borrower defaults, the Department may modify the interest rate, the time or amount of payment, or any other term of a Program loan to facilitate repayment of the Program loan and to achieve the purpose of the Program.

§4–308.

(a) Subject to subsection (b) of this section, a recipient of a Program loan shall complete homebuyer education that meets the requirements of the Department.

(b) The Department's homebuyer education requirements shall:

(1) allow a Program loan recipient to use the online homebuyer education for a HUD–approved product and contact a HUD–approved counseling agency to receive a certificate; and

(2) enable one political subdivision's certificate to be used in another political subdivision.

(c) This subtitle does not alter or preempt the authority of a political subdivision to establish homebuyer education or counseling requirements for a down payment assistance program operated by the political subdivision.

§4–309.

(a) (1) A person may not knowingly make or cause to be made a false statement or report in a document required to be submitted to the Department under an agreement relating to a Program loan.

(2) A loan applicant may not knowingly make or cause to be made any false statement or report to influence an action of the Department on a Program loan application or a Program loan already made.

(b) A person who violates this section is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 5 years or a fine not exceeding $50,000 or both.

§4–401.

(a) In this subtitle the following words have the meanings indicated.

(b) "Fund" means the Rental Housing Fund established under § 4–504 of this title.

(c) "Household of limited income" means one or more individuals who occupy the same residential dwelling unit and whose total household income does not exceed the upper income limits established by the Secretary for the Program under § 4–404 of this subtitle.

(d) "Office or other commercial space conversion" means the conversion to rental housing of a building that:

(1) is in a sustainable community as defined in § 6–301 of this article;

(2) was built more than 30 years before an application is submitted to the Department to finance the conversion;

(3) consists of at least two floors at or above ground level; and

(4) was last used as office or other commercial space.

(e) "Program" means the Rental Housing Program.

(f) "Rental housing project" means a project eligible for financial assistance under § 4–407 of this subtitle.

§4–402.

There is a Rental Housing Program.

§4–403.

The purposes of the Program are to:

(1) stimulate the production and preservation of rental housing;

(2) increase and improve the supply of decent, safe, and sanitary rental housing at costs that are affordable to households of limited income;

(3) use available resources efficiently to serve the households that are in need of quality affordable housing opportunities, including families, the elderly, and persons with disabilities or special needs;

(4) support economic growth and activity by financing, in whole or in part, the construction or substantial rehabilitation of rental housing projects; and

(5) revitalize sustainable communities, as defined in § 6–301 of this article, through office or other commercial space conversion.

§4–404.

(a) The Department shall:

(1) administer the Program;

(2) adopt policies to ensure that rental housing is made available to households of limited income;

(3) develop procedures to ensure that the projects receiving financial assistance from the Program are in compliance with applicable occupancy restrictions;

(4) use federal and State programs to help carry out the Program; and

(5) encourage the assistance or participation of local political subdivisions.

(b) The Secretary shall set income guidelines by considering:

(1) the median income for the area;

(2) the minimum income needed to afford available standard rental units in the area;

(3) federal income guidelines, including the requirements of the Federal Low–Income Housing Tax Credit Program; and

(4) any other relevant factor.

(c) In administering the Program under this subtitle, the Department may act either directly or through the Administration.

(d) The Department shall provide written notice and a reasonable opportunity to comment to the chief executive officer or the equivalent officer and the head or president of the legislative body of the political subdivision in which a proposed project is located.

(e) If the proposed project is located in a municipal corporation, the notice required under subsection (d) of this section shall be sent to the chief executive officer and head or president of the municipal corporation and not to the county.

§4–405.

To achieve the purposes of the Program, the Department shall, from time to time, ask the State to increase or replace amounts deposited with the State Treasurer in the Fund.

§4–406.

(a) The Department shall adopt regulations to carry out the Program.

(b) The regulations shall provide for:

(1) applications for money from the Fund;

(2) standards of eligibility, terms, and fees;

(3) charges that shall be imposed on Program loans; and

(4) the recapture of money of the Fund from a borrower that does not use the money in a timely manner.

§4–407.

(a) A project qualifies as a rental housing project under this subtitle if:

(1) its purpose is to acquire, construct, or rehabilitate real property or all or part of a building or improvements that will be occupied by households of limited income as provided in this subsection; and

(2) a portion of the rental units in the project are set aside for households of lower income for the greater of:

(i) 15 years; or

(ii) the number of years required by federal law.

(b) The minimum number of rental units set aside under subsection (a)(2) of this section shall be the greater of:

(1) the number that bears the same ratio to the whole number of rental units in the project as the amount of the Program loan bears to the whole financing of the undertaking; or

(2) the number of rental units chosen by the sponsor to satisfy federal occupancy requirements, if the project receives federal low–income housing tax credits or is financed in part with government–issued, federally tax–exempt revenue bonds.

(c) Rental units restricted for occupancy to meet other federal, State, or local occupancy requirements may be counted toward the minimum number required under this section.

(d) A rental unit that continues to meet applicable federal occupancy restrictions under subsection (b)(2) of this section shall be deemed to continue to meet the applicable restrictions for purposes of this subtitle.

(e) A project qualifies as a rental housing project under this subtitle and is not subject to the income restrictions specified in this section if it will:

(1) effect an office or other commercial space conversion into market rate rental housing; and

(2) provide substantial economic development to a sustainable community as defined in § 6–301 of this article.

§4–408.

(a) The Department shall review applications for loans submitted by private or nonprofit sponsors, political subdivisions, or local housing authorities established under Division II of this article on behalf of sponsors of proposed rental housing projects.

(b) In reviewing an application for a Program loan under this subtitle, the Department shall consider:

(1) the extent to which households of limited income will be assisted by the proposed project;

(2) the number and percentage of households of limited income currently living in the community where the project is proposed;

(3) the quantity, condition, and affordability of residential property in the community where the project is proposed;

(4) the economic feasibility of the proposed project;

(5) the degree of local government incentive and support provided to the proposed project, including contribution of land, abatement of taxes or fees, direct or indirect rental subsidies, and grants; and

(6) any other relevant factors.

§4–409.

(a) Money in the Fund may be used to make loans to an approved applicant to:

(1) acquire, construct, or rehabilitate a rental housing project;

(2) convert an existing building or buildings to a rental housing project; or

(3) provide operating assistance to reduce the operating costs of a project by depositing the proceeds of the Program loan in an interest bearing account that is under the control of the Department and is used to pay the operating costs,

including the principal and interest when due, on any prior mortgage loan securing the project.

(b) A Program loan may:

(1) be secured by a mortgage lien;

(2) be subordinate to other financing;

(3) have an interest rate as low as zero percent;

(4) be payable out of surplus cash;

(5) be a deferred payment loan;

(6) provide for an equity participation by the Department or contingent interest payable out of surplus cash or net equity; or

(7) have any other terms the Department may require.

(c) To facilitate repayment of the Program loan and achieve the purposes of the Program, the Department may modify:

(1) the interest rate;

(2) the time or amount of payment; or

(3) any other term of the Program loan.

§4–410.

(a) If a Program loan is secured by a mortgage, the Department may:

(1) enforce the mortgage;

(2) foreclose on the mortgage and take title to the mortgaged property or take deed in lieu of foreclosure;

(3) convey title to a purchaser;

(4) obtain and enforce a deficiency judgment;

(5) allow assumption of the mortgage; and

(6) contract with a private mortgage servicer to perform on behalf of the Department any functions a servicer ordinarily performs.

(b) Without approval or execution by the Board of Public Works, the Department may:

(1) assign a mortgage for value; or

(2) convey property after acquisition.

§4–411.

(a) (1) A person may not knowingly make or cause to be made a false statement or report in a document required to be submitted to the Department under an agreement relating to a Program loan.

(2) A loan applicant may not knowingly make or cause a false statement or report to be made to influence the action of the Department on a Program loan application or to influence action of the Department affecting a Program loan already made.

(b) A person who violates this section is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 5 years or a fine not exceeding $50,000 or both.

§4–501.

(a) (1) Each fund established under this subtitle is a continuing, nonlapsing special fund that is not subject to § 7-302 of the State Finance and Procurement Article.

(2) The State Treasurer shall hold and the Comptroller shall account for each fund established under this subtitle.

(b) Money in a fund established under this subtitle shall be invested in the same way as other State money.

(c) (1) In the State budget, the State may appropriate to the Rental Housing Programs Fund and the Special Loan Programs Fund all or part of the money received as repayment of principal or payment of interest on a loan made by the Maryland Housing Rehabilitation Program.

(2) The appropriation may be increased by budget amendment.

(3) The amount of repayments appropriated to make loans under the Maryland Housing Rehabilitation Program may not exceed $12,000,000 annually.

(4) The State may not appropriate repayment of principal and payment of interest to the Maryland Housing Rehabilitation Program to the extent that loans expected to be made with the money appropriated would cause the principal amount of loans outstanding to exceed $100,000,000.

§4–501.1.

(a) The Department shall attempt to use to the greatest extent feasible minority business enterprises to provide brokerage and investment management services to the Department for the funds established under this subtitle consistent with minority business purchasing standards applicable to units of State government under the State Finance and Procurement Article and consistent with the fiduciary duties of the Department.

(b) For purposes of this section, brokerage and investment management services shall include services relating to all allocated asset classes.

(c) (1) To assist the Department in achieving the goal described under subsection (a) of this section, the Department shall undertake measures to remove any barriers that limit full participation by minority business enterprises in brokerage and investment management services opportunities afforded by the Department for the funds established under this subtitle.

(2) The measures undertaken by the Department shall include the use of a wide variety of media, including the Department's website, to provide notice to a broad and varied range of potential providers about the brokerage and investment management services opportunities afforded by the Department for the funds established under this subtitle.

(d) In conjunction with the Governor's Office of Small, Minority, and Women Business Affairs, the Department shall develop guidelines to assist it in identifying and evaluating qualified minority business enterprises in order to help the Department achieve the objective for greater use of minority business enterprises for brokerage and investment management services for the funds established under this subtitle.

(e) On or before September 1 each year, the Department shall submit a report to the Governor's Office of Small, Minority, and Women Business Affairs and, subject to § 2–1257 of the State Government Article, the General Assembly on:

(1) the identity of the minority business enterprise brokerage and investment management services firms used by the Department in the immediately preceding fiscal year;

(2) the percentage and dollar value of the assets in the funds established under this subtitle that are under the investment control of minority business enterprise brokerage and investment management services firms in each allocated asset class; and

(3) the measures the Department undertook in the immediately preceding fiscal year in accordance with subsection (c)(2) of this section.

§4–502.

(a) In this section, "Fund" means the Homeownership Programs Fund.

(b) There is a Homeownership Programs Fund.

(c) As provided in the State budget, the Department shall use the Fund to:

(1) pay expenses of the Maryland Home Financing Program, including reserves for anticipated future losses directly related to the Maryland Home Financing Program;

(2) make loans under the Maryland Home Financing Program; and

(3) make loans and pay expenses of the Down Payment and Settlement Expense Loan Program.

(d) The Fund consists of:

(1) money appropriated by the State for homeownership programs, including the Maryland Home Financing Program under Subtitle 8 of this title and the Down Payment and Settlement Expense Loan Program under Subtitle 3 of this title;

(2) money from the sale of the State's general obligation bonds;

(3) repayments or prepayments of principal and payments of interest on loans made under the Maryland Home Financing Program, the Homeowners' Emergency Mortgage Assistance Program, the Reverse Equity Program, or the Down Payment and Settlement Expense Loan Program, formerly the Settlement Expense Loan Program;

(4) money transferred to the Fund in accordance with §§ 4–503(d), 4–504(f), and 4–505(h) of this subtitle and §§ 3–203(i) and 6–310(g) of this article; and

(5) investment earnings of the Fund.

(e) Subject to § 7–209 of the State Finance and Procurement Article and except as otherwise provided in the State budget, after the first 8 months of a fiscal year, the Department may transfer unencumbered money in the Fund to any other fund established under this title.

(f) Money received as repayment of principal or payment of interest on a loan made under the Maryland Home Financing Program that is not appropriated in the State budget may be credited to the Annuity Bond Fund and used to pay the principal of or interest on money borrowed by the State and appropriated to the Maryland Home Financing Program.

§4–503.

(a) In this section, "Fund" means the Partnership Rental Housing Fund.

(b) There is a Partnership Rental Housing Fund.

(c) The Fund consists of:

(1) money appropriated by the State to the Partnership Rental Housing Program;

(2) money made available to the Partnership Rental Housing Program from the sale of general obligation or other bonds including the proceeds of the sale of bonds authorized by Chapter 625 of the Acts of the General Assembly of 1988 and Chapter 97 of the Acts of the General Assembly of 1989;

(3) investment earnings of the Fund; and

(4) repayment of loans from the Fund except to the extent any State or federal law governing the proceeds of bonds prohibits the recycling of money.

(d) Subject to the approval of the Legislative Policy Committee and § 7–209 of the State Finance and Procurement Article, after the first 8 months of a fiscal year, the Department may transfer unencumbered money in the Fund among the Partnership Rental Housing Fund, the Rental Housing Programs Fund, the Homeownership Programs Fund, and the Special Loan Programs Fund, if the Secretary determines that demand is:

(1) less than anticipated for the fund from which money is being transferred; and

(2) greater than anticipated for the fund to which money is being transferred.

§4–504.

(a) In this section, "Fund" means the Rental Housing Fund.

(b) There is a Rental Housing Fund.

(c) The Department shall use the Fund to operate, make loans, and pay expenses of the Rental Housing Program, including reserves for anticipated future losses directly related to the Rental Housing Program, as provided in the State budget.

(d) The Department shall administer the Fund either directly or through the Administration.

(e) The Fund consists of:

(1) money appropriated by the State for the Rental Housing Program under § 4–402 of this title;

(2) repayments and prepayments of loans made under the Rental Housing Program and from loan programs under this title that have been repealed;

(3) money appropriated under § 4–501(c) of this subtitle;

(4) money transferred to the Fund in accordance with §§ 4–502(e), 4–503(d), and 4–505(h) of this subtitle and § 3–203(i) of this article;

(5) funds received by the Department or the Administration from the federal government or other public or private sources;

(6) investment earnings of the Fund; and

(7) revenue distributed to the Fund under § 2–605.2 of the Tax – General Article.

(f) (1) When the Department issues a binding commitment to make a loan, the Department shall withdraw from the Fund an amount equal to the commitment.

(2) Subject to § 7–209 of the State Finance and Procurement Article and except as otherwise provided in the State budget, after the first 8 months of a fiscal year the Department may transfer unencumbered money in the Fund to any other fund established under this title.

§4–505.

(a) In this section, "Fund" means the Special Loan Programs Fund.

(b) There is a Special Loan Programs Fund.

(c) As provided in the State budget and subject to subsection (d) of this section, the Department shall use the Fund to:

(1) operate, pay expenses of, and make loans under the Group Home Financing Program;

(2) operate, pay expenses of, and make grants and loans under the Lead Hazard Reduction Grant Program and the Lead Hazard Reduction Loan Program;

(3) operate, pay expenses of, and make loans and grants under the Maryland Housing Rehabilitation Program, including reserves for anticipated future losses directly related to the Maryland Housing Rehabilitation Program;

(4) make loans and grants under the Regular Rehabilitation Program; and

(5) make loans and grants under the special loan programs.

(d) During the first 6 months of each fiscal year the Department shall reserve at least 25% of the appropriation for the Fund to make loans to rehabilitate buildings with four or fewer dwelling units.

(e) (1) The Department annually shall allocate money in the Fund to the Lead Hazard Reduction Grant Program and the Lead Hazard Reduction Loan Program.

(2) If the number of eligible applications under the Lead Hazard Reduction Grant Program, or the Lead Hazard Reduction Loan Program is insufficient to commit all money allocated to that Program within 6 months after the allocation, the Department may reallocate the uncommitted money to other programs of the Fund.

(f) The Fund shall be administered in accordance with this section.

(g) (1) The Fund consists of:

(i) money appropriated by the State for special loan programs, including:

1. the Special Rehabilitation Program under § 4–906(b) of this title;

2. the Regular Rehabilitation Program under § 4–906(b) of this title;

3. the Group Home Financing Program under § 4–602 of this title;

4. the Lead Hazard Reduction Grant Program under § 4–708 of this title and the Lead Hazard Reduction Loan Program under § 4–709 of this title; and

5. the Accessible Homes for Senior Homeowners Grant Program under § 4–931 of this title;

(ii) repayments of principal and payments of interest on loans made under these programs;

(iii) repayments of grants from the Fund;

(iv) repayments of principal and payments of interest on loans from the Fund;

(v) money transferred to the Fund in accordance with §§ 4–502(e), 4–503(d), and 4–504(f) of this subtitle and §§ 3–203(i) and 6–310(g) of this article; and

(vi) investment earnings of the Fund.

(2) The State, under § 4–501(c) of this subtitle, may appropriate to the Fund money received as repayment of principal or payment of interest on a loan made by the Maryland Housing Rehabilitation Program.

(h) Subject to § 7–209 of the State Finance and Procurement Article and except as otherwise provided in the State budget, after the first 8 months of a fiscal year, the Department may transfer unencumbered money in the Fund to any other fund established under this title.

§4–506.

(a) In this section, "Fund" means the Workforce Housing Fund.

(b) There is a Workforce Housing Fund.

(c) As provided in the State budget, the Department shall use the Fund to operate and provide funds under the Workforce Housing Grant Program.

(d) The Fund consists of:

(1) money appropriated by the State;

(2) repayments of principal and payments of interest on loans made under the Workforce Housing Grant Program;

(3) amounts paid in connection with transfers of homeownership workforce housing units;

(4) money transferred to the Fund in accordance with this subtitle; and

(5) investment earnings of the Fund.

§4–507.

(a) In this section, "Fund" means the Housing Counseling and Foreclosure Mediation Fund.

(b) There is a Housing Counseling and Foreclosure Mediation Fund.

(c) The purposes of the Fund are to:

(1) support nonprofit and government housing counselors and other nonprofit entities with providing:

(i) legal assistance to homeowners or occupants who are trying to avoid foreclosure or manage foreclosure proceedings; and

(ii) homebuyer education, housing advice, or financial counseling for homeowners, prospective homeowners, and low– and moderate–income households;

(2) support the establishment and operation of nonprofit housing counseling entities;

(3) support efforts by the Department and the Maryland Department of Labor to:

(i) contact and provide advice and assistance to homeowners or occupants facing financial difficulty or foreclosure; and

(ii) provide advice and assistance to prospective homeowners; and

(4) assist in funding the costs of foreclosure mediations provided by the Office of Administrative Hearings under § 7–105.1 of the Real Property Article.

(d) The Department shall administer the Fund.

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

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

(f) The Fund consists of:

(1) revenue distributed to the Fund under § 7–105.1 of the Real Property Article;

(2) investment earnings of the Fund;

(3) money appropriated in the State budget to the Fund; and

(4) any other money from any other source accepted for the benefit of the Fund.

(g) The Fund may be used only for the purposes described in subsection (c) of this section.

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

(2) Any investment earnings of the Fund shall be paid into the Fund.

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

§4–508.

(a) In this section, "Fund" means the Strategic Demolition and Smart Growth Impact Fund.

(b) There is a Strategic Demolition and Smart Growth Impact Fund.

(c) The purpose of the Fund is to provide grants and loans to assist in predevelopment activities, including interior and exterior demolition, land assembly, architecture and engineering, site development, and credit enhancement for revitalization projects in designated areas of the State.

(d) The Department shall administer the Fund.

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

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

(f) The Fund consists of:

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

(2) repayments of loans made from the Fund;

(3) interest earnings of the Fund; and

(4) any other money from any other source accepted for the benefit of the Fund.

(g) (1) The Fund may be used only to provide grants and loans to government agencies and community development organizations for interior and exterior demolition, land assembly, architecture and engineering, site development, and credit enhancement for revitalization projects in an area designated as:

(i) a Sustainable Community; or

(ii) a qualified opportunity zone designated under § 1400Z–1 of the Internal Revenue Code in Allegany County, Garrett County, Somerset County, or Wicomico County.

(2) (i) For fiscal years 2017 through 2019, to be eligible for a grant or loan from the Fund, a government agency or community development organization shall provide evidence of a matching fund that is equal to $1 for every $4 in State funding that the agency or organization is applying for from the Fund.

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

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

2. real property;

3. in–kind contributions; and

4. funds expended before the date the grant or loan is awarded.

(3) For fiscal year 2020 and each fiscal year thereafter, to be eligible for a grant or loan from the Fund, a government agency or community development organization is not required to provide evidence of a matching fund.

(4) The Department shall award grants and loans from the Fund on a competitive basis.

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

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

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

(j) (1) For fiscal year 2018, the Governor shall include in the annual budget bill or capital budget bill an appropriation of $25,625,000 from general funds or the proceeds from the sale of State general obligation bonds to the Fund, which shall be allocated as follows:

(i) $22,125,000 for projects in Baltimore City; and

(ii) $3,500,000 for projects throughout the State.

(2) For fiscal year 2019, the Governor shall include in the annual budget bill or capital budget bill an appropriation of $28,500,000 from general funds or the proceeds from the sale of State general obligation bonds to the Fund, which shall be allocated as follows:

(i) $25,000,000 for projects in Baltimore City; and

(ii) $3,500,000 for projects throughout the State.

§4–509.

(a) (1) In this section the following words have the meanings indicated.

(2) "Anchor institution" means:

(i) an institution of higher education in the State, including departments, foundations, and other entities of the institution; or

(ii) a hospital institution in the State, including departments, foundations, and other entities of the institution, that:

1. has a group of at least five physicians who are organized as a medical staff for the institution;

2. maintains facilities to provide, under the supervision of the medical staff, diagnostic and treatment services for two or more unrelated individuals; and

3. admits or retains the individuals for overnight care.

(3) "Blighted area" means an area in which a majority of buildings have declined in productivity by reason of obsolescence, depreciation, or other causes to an extent that they no longer justify fundamental repairs and adequate maintenance.

(4) "Fund" means the Seed Community Development Anchor Institution Fund.

(5) "Sustainable community" means an area designated as a sustainable community under § 6–205 of this article.

(b) There is a Seed Community Development Anchor Institution Fund.

(c) The purpose of the Fund is to provide grants and loans to anchor institutions for community development projects in sustainable communities and blighted areas of the State.

(d) The Department shall administer the Fund.

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

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

(f) The Fund consists of:

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

(2) interest earnings of the Fund; and

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

(g) (1) The Fund may be used only to provide grants and loans to anchor institutions for community development projects in sustainable communities and blighted areas of the State.

(2) To be eligible for a grant or loan, an anchor institution shall provide evidence of matching funds.

(3) The Department shall award grants and loans from the Fund on a competitive basis.

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

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

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

(j) (1) For fiscal year 2019, the Governor shall include in the annual budget bill or the capital budget bill an appropriation of $4,000,000 to the Fund.

(2) For fiscal year 2020, the Governor shall include in the annual budget bill or the capital budget bill an appropriation of $5,000,000 for the Fund.

(3) (i) For fiscal year 2021, the Governor shall include in the annual budget bill or the capital budget bill an appropriation of $5,000,000 for the Fund.

(ii) For fiscal year 2022 and each fiscal year thereafter, the Governor shall include in the annual budget bill or the capital budget bill an appropriation of $10,000,000 for the Fund.

§4–511.

(a) In this section, "Fund" means the Continuing the CORE Partnership Fund.

(b) There is a Continuing the CORE Partnership Fund.

(c) The purpose of the Fund is to assist the Department, in conjunction with the Maryland Stadium Authority and Baltimore City, in expeditiously removing blighted property within Baltimore City.

(d) The Secretary shall administer the Fund.

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

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

(f) The Fund consists of:

(1) revenue distributed to the Fund under subsection (j) of this section;

(2) money appropriated in the State budget to the Fund; and

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

(g) The Fund may be used for:

(1) the purpose outlined in subsection (c) of this section; and

(2) administrative expenses.

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

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

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

(j) (1) For fiscal year 2020, the Governor may include in the annual budget bill an appropriation of $30,000,000 to the Fund.

(2) For fiscal years 2021 through 2024, the Governor may include in the annual budget bill an appropriation of $25,000,000 to the Fund.

(3) For fiscal year 2026 and each fiscal year thereafter, the Governor shall include in the annual budget bill or the capital budget bill an appropriation of $50,000,000 to the Fund.

§4–512. IN EFFECT

// EFFECTIVE UNTIL JUNE 30, 2029 PER CHAPTER 212 OF 2024 //

(a) In this section, "Fund" means the Housing Innovation Fund.

(b) There is a Housing Innovation Fund.

(c) The purpose of the Fund is to provide loans for local housing authorities and county governments to develop mixed–income, cross–subsidized housing.

(d) The Department shall administer the Fund.

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

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

(f) The Fund consists of:

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

(2) any other money from any other source accepted for the benefit of the Fund.

(g) (1) Subject to paragraph (2) of this subsection and subsection (j) of this section, the Fund may be used only to provide low– or no–interest loans to local housing authorities or to county governments partnering with housing developers through the Housing Innovation Pilot Program in accordance with Subtitle 30 of this title.

(2) The Fund may be used for projects where a county, in conjunction with a local housing authority or a housing developer, acquires existing private sector housing.

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

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

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

(j) (1) (i) For fiscal year 2025, an allocation to the Fund shall be committed to projects before July 1, 2026, subject to applicants being afforded a reasonable period of time to complete the application.

(ii) For fiscal year 2026 and each fiscal year thereafter, an allocation to the Fund in a fiscal year shall be committed to projects before the end of that fiscal year, subject to applicants being afforded a reasonable period of time to complete the application.

(2) If an allocation of funds to the Fund under paragraph (1) of this subsection has not been committed to projects before the end of the fiscal year when they were allocated, the funds shall be eligible for use in support of projects that apply to the Rental Housing Program established under Subtitle 4 of this title.

§4–601.

(a) In this subtitle the following words have the meanings indicated.

(b) (1) "Group home" means a housing facility that offers:

(i) supportive services or supervisory personnel to individuals with special housing needs who are not related to the group home sponsor; and

(ii) common, shared, or independent living, dining, kitchen, sanitary, and sleeping facilities.

(2) "Group home" need not include all of the facilities listed in paragraph (1)(ii) of this subsection if it provides emergency and temporary housing for homeless individuals.

(c) "Group home sponsor" means a person who qualifies for a Program loan under § 4-607 of this subtitle.

(d) "Person of lower income" means an individual or family whose income does not exceed the upper income limit that the Secretary sets.

(e) "Program" means the Group Home Financing Program.

(f) "Program loan" means a loan that the Department makes under this subtitle.

§4–602.

There is a Group Home Financing Program.

§4–603.

The purpose of the Program is to provide loans to group home sponsors to finance or refinance the costs of acquiring, constructing, or modifying buildings as group homes for persons of lower income, elderly households, individuals with disabilities, and other residents of the State with special housing needs.

§4–604.

The Department may establish:

(1) eligibility standards for group home sponsors;

(2) Program loan fees and charges;

(3) maximum Program loans for group homes based on their size, use, and location; and

(4) a process for selecting group homes to be financed under the Program that promotes statewide distribution of money.

§4–605.

The Department shall:

(1) administer the Program;

(2) adopt policies that encourage the establishment of group homes for persons of lower income throughout the State;

(3) attach to a purchase, sale, or lease of a group home or land for a group home the terms needed to carry out the Program;

(4) establish guidelines for monitoring the group homes to ensure that, aside from dwelling room for supervisory individuals and their families, group homes receiving financing under the Program are occupied in substantial part by persons of lower income; and

(5) establish guidelines to determine the ability of a group home sponsor to manage a group home, provide necessary services, and repay the Program loan.

§4–606.

The Department shall adopt regulations to carry out the Program.

§4–607.

To qualify for a Program loan, a group home sponsor shall own and operate a group home and be:

(1) a nonprofit organization;

(2) an individual; or

(3) a limited partnership if:

(i) 1. each general partner qualifies as a nonprofit organization; or

2. each general partner is a wholly owned subsidiary of a nonprofit organization;

(ii) the limited partnership is formed to undertake a group home project that is totally or partly eligible for a federal low income housing tax credit program or any other federal program or incentive; and

(iii) a nonprofit organization manages the project or receives the net cash flow from or the residual sale proceeds on sale of the group home.

§4–608.

The Program shall be operated with money in the Special Loan Programs Fund under § 4-505 of this title.

§4–609.

In reviewing an application for a Program loan, the Department shall consider:

(1) the economic feasibility of the group home; and

(2) the ability of the group home sponsor to manage the group home, provide necessary services, and repay the Program loan.

§4–610.

(a) (1) A Program loan shall be secured by a mortgage lien and may include the terms that the Department considers necessary to make the group home affordable to persons of lower income.

(2) In exceptional circumstances, the terms may include:

(i) deferred payment of principal and interest; and

(ii) interest rates as low as 0%.

(b) Each loan shall require that all unpaid principal and accrued interest, including principal or interest that was deferred, be paid at the earliest of:

(1) a stated date, which may be the maturity date of the Program loan;

(2) the date of the sale or other transfer of the group home or a controlling interest in the group home; and

(3) the date when the project ceases to be used as a group home.

(c) (1) Each Program loan shall provide for:

(i) a limit on the return on equity allowed to a group home sponsor;

(ii) equity participation between the Department and the group home sponsor; or

(iii) an amount of accrued and deferred interest that the Department finds can reasonably be expected to be paid from profit resulting from the sale of the group home.

(2) The Department may forgive any accrued and deferred interest described in paragraph (1)(iii) of this subsection that exceeds the profit from the sale of the group home.

(3) The Department may allow the group home sponsor to earn a reasonable return before the group home sponsor pays accrued and deferred interest.

(d) If a Program loan is in default or is at risk of being in default, the Department may modify the interest rate, the time or amount of payment, or any other term to facilitate repayment and achieve the purposes of the Program.

(e) A Program loan may finance:

(1) the site acquisition, construction costs, and permanent mortgage for a group home;

(2) the purchase of an existing building to provide a group home;

(3) a modification to a building purchased with a Program loan, if the modification improves, repairs, renovates, or rehabilitates the building to:

(i) make it suitable as a group home; or

(ii) eliminate housing, building, fire, safety, health, or other code violations;

(4) the refinancing of an existing mortgage loan on a group home;

(5) closing costs associated with the construction, purchase, or refinance of a group home;

(6) engineering, legal, title, survey, or architectural fees associated with financing real property development; and

(7) other development costs that the Department considers reasonable.

§4–611.

Subject to the approval and permitting procedures of the local zoning authority, a group home that houses four or more individuals may provide for nonresidential uses that:

(1) are in a minor part of the building;

(2) conform with local zoning requirements; and

(3) although not directly related to the housing facility, offer goods or services for persons of lower income or other disadvantaged individuals.

§4–612.

(a) (1) A person may not knowingly make or cause to be made a false statement or report in a document required to be submitted to the Department under an agreement relating to a Program loan.

(2) A loan applicant may not knowingly make or cause to be made any false statement or report to influence the Department's action on a Program loan application or a Program loan already made.

(b) A person who violates this section is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 2 years or a fine not exceeding $50,000 or both.

§4–701.

(a) In this subtitle the following words have the meanings indicated.

(b) "Child care center" has the meaning stated in § 9.5–401(c) of the Education Article.

(c) "Family of limited income" means a family that meets the qualifications under § 4–707 of this subtitle.

(d) "Fund" means the Special Loan Programs Fund under Subtitle 5 of this title.

(e) "Grant Program" means the Lead Hazard Reduction Grant Program.

(f) (1) "Lead hazard reduction activity" means measures to reduce or eliminate lead–based paint hazards in accordance with State or federal standards.

(2) "Lead hazard reduction activity" includes:

(i) removing lead–based paint and lead–contaminated dust, containing or encapsulating lead–based paint, and replacing or removing surfaces or fixtures painted with lead–based paint;

(ii) meeting the risk reduction standards under § 6–815 of the Environment Article or the modified risk reduction standards under § 6–817 of the Environment Article;

(iii) temporarily reducing human exposure or probable exposure to lead–based paint hazards, including specialized cleaning, repairing, maintaining, painting, temporarily containing, and ongoing monitoring of lead–based paint hazards or potential hazards;

(iv) associated testing, preparing, cleaning, protecting workers, disposing, and post–lead hazard reduction clearance testing; and

(v) testing an innovative or unproven method of lead hazard reduction.

(g) "Loan Program" means the Lead Hazard Reduction Loan Program.

§4–702.

The General Assembly finds that:

(1) lead paint is present in a large percentage of residential properties in the State, particularly residential rental properties constructed before 1950;

(2) lead paint on the friction surfaces of windows is a leading cause of lead poisoning;

(3) lead poisoning harms the health and well-being of children and pregnant women and causes substantial long-term public costs for medical expenses and additional education; and

(4) reduction or elimination of lead in the environment will reduce:

(i) the risk of lead poisoning of children and pregnant women;

(ii) the incidence of learning disabilities and behavioral problems in children who live in older housing; and

(iii) the cost of publicly financed medical care.

§4–703.

The purpose of the Grant Program and the Loan Program is to make grants and loans to owners of residential property or child care centers for financing lead hazard reduction activities, especially replacing windows containing lead-based paint on friction surfaces.

§4–704.

(a) The Department may establish:

(1) loan fees and charges;

(2) maximum loan or grant amounts for lead hazard reduction activities; and

(3) guidelines that give financing priority to lead hazard reduction activities that include replacing windows containing lead-based paint on friction surfaces.

(b) (1) On application of a political subdivision, the Department may provide money from the Fund allocated to the Grant Program or the Loan Program to the political subdivision to make a grant or loan, on behalf of the Department, to an eligible owner of residential property or a child care center in the political subdivision.

(2) The Department may limit the amount of money that a political subdivision may request under paragraph (1) of this subsection.

§4–705.

The Department shall:

(1) administer the Grant Program and the Loan Program; and

(2) establish eligibility guidelines for grants and loans.

§4–706.

The Department shall adopt regulations to carry out the Grant Program and the Loan Program.

§4–707.

(a) An individual or family, including an elderly household, qualifies as a family of limited income if the income of the individual or family does not exceed the limits that the Secretary sets.

(b) The factors that the Secretary shall consider in setting limits under subsection (a) of this section shall include:

(1) the family income deemed available for housing;

(2) the size of the family;

(3) the ability of the family to compete successfully in the private housing market;

(4) the cost and condition of available housing; and

(5) relevant standards and definitions under federal and State housing programs.

§4–708.

(a) There is a Lead Hazard Reduction Grant Program.

(b) The Department may make a grant solely to finance a lead hazard reduction activity that:

(1) is a program that tests innovative or unproven methods of lead hazard reduction; or

(2) is in a residential property in an area designated by the Department to have a concentration of:

(i) families of limited income; and

(ii) 1. residential property constructed before 1950; or

2. children diagnosed with elevated blood lead, which is a quantity of lead in their blood, expressed in micrograms per deciliter (µg/dl), that exceeds a specified threshold level.

(c) (1) The Department may establish standards to determine the eligibility of a lead hazard reduction activity for a grant under the Grant Program.

(2) The standards may call for consideration of:

(i) the extent to which the lead hazard reduction activity benefits families of limited income;

(ii) the need and circumstances of the owner–occupants or tenants of the residential property in which the proposed lead hazard reduction activity will be undertaken; and

(iii) whether the grant finances research into innovative or unproven methods for lead hazard reduction.

(d) In determining whether to make a grant under the Grant Program, the Department shall require that the owner of the residential property or child care center submit evidence that the owner cannot undertake lead hazard reduction activity without a grant.

(e) The Department may require that all or part of a grant under the Grant Program be repaid when conditions specified by the Department occur.

§4–709.

(a) There is a Lead Hazard Reduction Loan Program.

(b) The Department may make a loan to finance lead hazard reduction activity.

(c) A loan under the Loan Program:

(1) may be secured by a mortgage lien or other security interest acceptable to the Department; and

(2) may include terms that the Department considers appropriate.

(d) For a loan made under the Loan Program, the Department may:

(1) defer payment of principal and interest; and

(2) establish interest rates as low as 0%.

(e) Each loan shall require repayment of all unpaid principal and payment of accrued interest, including deferred interest, but the loan terms may allow the Department to forgive all or part of the principal and interest.

(f) If a loan is in default, the Department may modify the interest rate, the time or amount of payment, or any other term to facilitate repayment and achieve the purposes of the Loan Program.

§4–710.

In reviewing an application for a loan or grant, the Department shall consider:

(1) the needs of the beneficiaries of the proposed lead hazard reduction activity;

(2) the capacity of the applicant to repay a loan;

(3) the overall public benefit;

(4) the impact on the surrounding neighborhood or community; and

(5) any other factor that the Department finds relevant.

§4–711.

(a) In this section, "Committee" means the Lead Hazard Advisory Committee.

(b) There is a Lead Hazard Advisory Committee.

(c) The Committee consists of the following seven members:

(1) the Secretary of Housing and Community Development, or the Secretary's designee;

(2) the Secretary of the Environment, or the Secretary's designee;

(3) the Secretary of Health, or the Secretary's designee; and

(4) four members appointed by the Governor:

(i) a member of the Lead Poisoning Prevention Commission;

(ii) a representative of owners of residential rental property built before 1950;

(iii) a representative of a child, youth, or health advocacy group; and

(iv) a member of the public who has an interest in lead in the environment.

(d) (1) The term of an appointed member of the Committee is 4 years.

(2) The terms of the appointed members are staggered as required by the terms provided for members of the Committee on October 1, 2005.

(3) At the end of a term, an appointed member continues to serve until a successor is appointed and qualifies.

(4) An appointed member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

(e) The Secretary or the Secretary's designee is the chair of the Committee.

(f) Each member of the Committee is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(g) In consultation with the Committee, the Department shall develop regulations, policies, and guidelines to carry out the Grant Program and the Loan Program.

§4–712.

(a) (1) A person may not knowingly make or cause to be made a false statement or report in a document required to be submitted to the Department relating to a grant or loan.

(2) A grant or loan applicant may not knowingly make or cause to be made any false statement or report to influence the action of the Department on a grant or loan application or a grant or loan already made.

(b) A person who violates this section is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 2 years or a fine not exceeding $50,000 or both.

§4–801.

(a) In this subtitle the following words have the meanings indicated.

(b) (1) "Adjusted annual income" means gross income from all sources with adjustments, as determined by the Department, made for unusual or temporary income items and long-term unusual expenses such as medical, rehabilitation, or special education expenses.

(2) "Adjusted annual income" includes:

(i) wages;

(ii) investment income;

(iii) Social Security payments;

(iv) retirement payments;

(v) disability payments; and

(vi) unemployment insurance payments.

(c) "Fund" means the Homeownership Programs Fund under Subtitle 5 of this title.

(d) "Household of limited income" means one or more individuals whose aggregate adjusted annual income does not exceed the upper income limits that the Secretary sets under § 4-807 of this subtitle.

(e) "Lot consolidation" means the acquisition of real property adjacent to and in connection with a residence financed by the Program to include the real property as part of the residence.

(f) "Median annual family income" means the median annual family income for the State, county, or area, whichever is greatest, as shown in the latest Census Bureau Report of the United States Department of Commerce.

(g) "Preferred interest rate" means an interest rate that the Department sets under § 4-806(c) of this subtitle.

(h) "Program" means the Maryland Home Financing Program.

(i) "Region" means an area of the State that the Department establishes comprising one or more counties.

(j) "Short-term loan" means a loan that, under the loan documents, is expected to be taken out by other financing within 7 years.

§4–802.

This subtitle applies only to loans that the Department makes under this subtitle or that were made before July 1, 1989, under the Maryland Home Financing Program, the Reverse Equity Loan Program, or the Homeowners' Emergency Mortgage Assistance Program.

§4–803.

There is a Maryland Home Financing Program.

§4–804.

The purposes of the Program are to make, participate in making, and purchase:

(1) preferred interest rate loans to acquire, acquire and rehabilitate with or without demolition or lot consolidation, or refinance a primary residence by:

(i) households of limited income that will occupy single–unit primary residences; or

(ii) owner–occupants of residential buildings with not more than four units, if each unit other than the owner's will be occupied by a household of limited income;

(2) short–term construction loans to developers or nonprofit sponsors to construct or rehabilitate dwelling units that households of limited income can afford;

(3) short–term loans to nonprofit sponsors, as defined in Departmental regulations, to acquire and construct or acquire and rehabilitate, with or without demolition or lot consolidation, dwelling units that households of limited income can afford to buy under a purchase or lease–purchase contract;

(4) emergency assistance loans to households of limited income who, because of unemployment or other extraordinary hardship, cannot make current mortgage payments on their homes and risk forfeiting the title to their homes;

(5) reverse equity loans to elderly households of limited income for housing–related expenses or personal expenses that enable the owner to continue to occupy the home; and

(6) preferred interest rate loans to households that meet income standards set by the Department for the redemption of ground leases on their principal residence, including the transactional costs associated with the redemption.

§4–805.

The Department may:

(1) contract for services related to the Program;

(2) contract with private mortgage servicers to perform on behalf of the Department functions the servicers ordinarily perform, including foreclosure and employment of counsel;

(3) require payment of a nonrefundable application fee;

(4) purchase or commit to purchase from mortgage lenders notes or mortgages that meet the requirements of this subtitle, any regulations adopted under it, and appropriate Program directives; and

(5) without approval or execution by the Board of Public Works:

(i) assign a mortgage for value;

(ii) release a mortgage;

(iii) foreclose a mortgage;

(iv) acquire property that secures a loan in default;

(v) encumber, sell, or otherwise dispose of property acquired in connection with a loan in default;

(vi) sell a loan at a discount or on other terms acceptable to the Department;

(vii) transfer to the Fund money received on the sale of a loan under item (vi) of this item; and

(viii) repurchase or pay the cost of servicing a loan that has been sold under item (vi) of this item with money in the Fund and on terms acceptable to the Department.

§4–806.

(a) The Department shall:

(1) manage the Program in a manner that:

(i) serves all areas of the State; and

(ii) does not create or aggravate low-income concentrations that adversely affect communities;

(2) periodically set upper limits on adjusted annual income;

(3) use federal or State programs that complement or facilitate carrying out the Program; and

(4) adopt regulations to carry out the Program.

(b) The Department shall adopt policies to ensure that each loan made under the Program is made only to:

(1) a household that:

(i) when the loan is made, has an adjusted annual income at or below the applicable upper limit that the Secretary sets under § 4-807 of this subtitle; and

(ii) cannot qualify for conventional or other available departmental financing to enable the owner to continue to occupy the home, or to acquire, acquire and rehabilitate with or without demolition or lot consolidation, or refinance a home;

(2) a developer that the Department reasonably believes can build or rehabilitate housing that a household of limited income can afford; and

(3) an owner-occupant of a residential building with not more than four units if each unit other than the owner's will be occupied by a household of limited income.

(c) (1) For each type of loan described in § 4–804 of this subtitle, the Department periodically shall set:

(i) appropriate terms, including deferred payments on principal and interest; and

(ii) a preferred interest rate that may be as low as 0.0% or as high as is reasonable in light of the incomes of the proposed occupants.

(2) In setting these terms and interest rates, the Department shall take into account rates available in the conventional private housing market and the adjusted annual income and assets of prospective borrowers.

§4–807.

(a) In setting upper limits on adjusted annual income, the Department shall consider factors including:

(1) the total income of each individual expected to live in the home;

(2) the size of the household;

(3) the cost of available housing facilities;

(4) the ability of the household to compete successfully in the conventional private housing market; and

(5) pertinent standards and definitions established for federal housing programs.

(b) Upper limits on adjusted annual income may vary for different:

(1) types of housing;

(2) types of financing offered by the Program; and

(3) regions.

(c) Within the upper limits on adjusted annual income, lower income limit ranges and lower interest rates may be established for loans to households with adjusted annual incomes in the lower ranges.

(d) Except for loans made under § 4–804(4) and (6) of this subtitle, the upper limits on adjusted annual income established under subsection (a) of this section may not exceed the median annual family income.

§4–808.

The Program shall be operated with the money in the Fund.

§4–809.

To apply for a loan under this subtitle, an applicant shall submit:

(1) a completed application in a form that the Department requires;

(2) a copy of the applicant's latest State income tax return or other available verification of income, unless the application is for a loan under § 4-804(1)(i) or (2) of this subtitle; and

(3) any other information or documentation that the Department considers necessary to make a determination on the loan.

§4–810.

(a) To qualify for a loan under § 4-804(1)(i), (4), or (5) of this subtitle, an applicant:

(1) shall be a member of a household of limited income;

(2) on closing of the loan, shall intend to reside in the home to be financed;

(3) may not own other property used as the applicant's personal residence; and

(4) in the estimation of the Department, shall lack the financial resources to obtain a private conventional mortgage or to qualify for other departmental loan programs.

(b) To qualify for a loan under § 4-804(1)(ii) of this subtitle, an applicant:

(1) shall agree in writing to live as an owner-occupant in one of the units of a residential building with no more than four units;

(2) shall agree in writing to rent each unit other than the applicant's unit to a household of limited income; and

(3) in the estimation of the Department, shall lack the financial resources to obtain a private conventional mortgage or qualify for other departmental loan programs.

(c) To qualify for a loan under § 4-804(2) of this subtitle, an applicant shall agree to sell or rent each dwelling unit constructed or rehabilitated with the proceeds of the loan to a household of limited income.

(d) To qualify for a loan under § 4–804(6) of this subtitle, an applicant shall:

(1) own and occupy the home as the applicant's principal residence; and

(2) meet the income requirements set by the Department.

§4–811.

(a) To qualify for an emergency assistance loan made under § 4-804(4) of this subtitle, an applicant:

(1) shall be unable to keep payments current on the applicant's home mortgage because of unforeseeable adverse personal or economic circumstances;

(2) shall be at risk of forfeiting title to the applicant's home; and

(3) reasonably may be expected to resume regular mortgage payments within 24 months after the first mortgage assistance payment is provided.

(b) For an emergency assistance loan under § 4-804(4) of this subtitle:

(1) the Department shall consider the amount of equity in the property; and

(2) the loan may not exceed an amount equal to 36 payments of principal and interest on all superior liens, plus:

(i) late fees;

(ii) taxes;

(iii) insurance payments; and

(iv) other payments needed for the loan to be current.

§4–812.

To qualify for a reverse equity loan under § 4-804(5) of this subtitle, an applicant shall:

(1) be at least 62 years old when the loan closes; and

(2) need financial assistance with housing-related expenses or personal expenses that enable the owner to continue to occupy the home.

§4–813.

(a) To qualify for a short-term construction loan under § 4-804(2) of this subtitle, a developer or nonprofit sponsor shall:

(1) provide construction costs, marketing data, and other information the Department requires; and

(2) have a commitment from the Department under § 4-815(j) of this subtitle for permanent financing for the sale of each residence to be built or rehabilitated with the short-term construction loan.

(b) To qualify for a short-term loan under § 4-804(3) of this subtitle, a nonprofit sponsor:

(1) shall provide:

(i) information on the costs of the proposed undertaking;

(ii) marketing data; and

(iii) other information the Department requires; and

(2) shall have:

(i) a commitment from the Department for permanent financing for the sale of each residence built or rehabilitated with the short-term loan; or

(ii) approval from the Department to rent the residence subject to a lease purchase agreement acceptable to the Department.

§4–814.

To qualify for a preferred interest rate loan to refinance an existing home under § 4-804(1) of this subtitle, an applicant shall:

(1) be unable to keep payments current on the applicant's home mortgage because of exceptional adverse personal or economic circumstances; and

(2) risk forfeiting title to the applicant's home.

§4–815.

(a) As to each loan, the Department may set:

(1) the principal amount, subject to subsection (f) of this section;

(2) the term of the loan, not to exceed 40 years except in the case of a reverse equity loan made under subsection (b)(3) of this section;

(3) the interest rate, which may be adjustable under subsection (g) of this section;

(4) the principal repayment terms, subject to subsections (b) and (c) of this section; and

(5) other terms that the Department considers necessary to achieve the purposes of the Program.

(b) (1) A loan may provide for immediate acceleration if the borrower violates § 4-816 of this subtitle or if the loan is in default.

(2) In the case of a preferred interest rate loan under § 4-804(1) of this subtitle, a loan may provide for full acceleration of principal after 5 years if the borrower:

(i) no longer qualifies as a household of limited income; and

(ii) can qualify for conventional mortgage financing.

(3) In the case of a reverse equity loan made under § 4-804(5) of this subtitle, a loan may provide for:

(i) full or partial deferral on payment of interest and principal until sale, conveyance in accordance with a will or trust instrument, or other transfer of the mortgaged property or a beneficial interest in the property; and

(ii) forgiveness of accrued interest in excess of the available equity in the mortgaged property when the conveyance occurs.

(4) In the case of an emergency assistance loan under § 4-804(4) of this subtitle, a loan may provide for full or partial deferral of payment of interest and principal until a stated date when the Department reasonably anticipates that the borrower will be able to make full or partial payments.

(c) A mortgage shall include the right of the Department to:

(1) foreclose the mortgage and take title to the foreclosed property or convey title to a buyer; and

(2) obtain a deficiency judgment.

(d) (1) Repayment of a loan shall be secured by a recorded lien on the real property.

(2) The lien may be a subordinate lien.

(3) A lien securing an emergency assistance loan may be released if the release is in the interest of the Department.

(e) The Department may require a mortgage to be insured at the borrower's expense by a federal, State, or private instrumentality.

(f) (1) For a preferred interest loan under § 4–804(1) of this subtitle, the amount of the loan and any prior recorded liens outstanding may not exceed the value of the secured property, as determined by the Department when the loan is closed, plus settlement expenses.

(2) For a reverse equity loan under § 4–804(5) of this subtitle, the principal amount of the loan and any prior liens outstanding may not exceed the value of the secured property as determined by the Department from time to time.

(3) For a short–term loan under § 4–804(2) of this subtitle, the amount of the loan may not exceed the total commitments for permanent financing for buyers, including any commitments of federal, State, or local money to subsidize the cost of the dwelling units.

(4) For a preferred interest rate loan under § 4–804(6) of this subtitle, the Department may set the maximum amount of the loan, including the maximum amount that may be used for the transactional costs associated with the redemption.

(g) After full disclosure to the borrower when the loan is made, the Department may take as security an adjustable interest rate mortgage under which any rate adjustment must:

(1) follow written notice to the borrower; and

(2) be based on an increase or decrease in household income.

(h) On default, the Department may modify the interest rate, the time or amount of payment, or any other term of the loan to facilitate repayment of the loan and achieve the purposes of the Program.

(i) For a mortgage securing a loan under this subtitle, the Department may allow:

(1) the transfer of the mortgaged property or an interest in the property without monetary consideration:

(i) to a spouse, child, or other immediate family member; or

(ii) in connection with the death of a borrower, a divorce decree, or a legal separation agreement; and

(2) assumption of the mortgage by a transferee described in item (1)(i) of this subsection for monetary consideration and by any other transferee with or without consideration if the transferee qualifies as a household of limited income and satisfies all other Program requirements.

(j) For the developer of housing that will be priced so as to be affordable to households of limited income, the Department may commit to reserve for a fixed period a fixed amount of Program money to be available to finance preferred interest rate mortgage loans for households of limited income who seek to purchase from the developer fully constructed or rehabilitated homes.

§4–816.

(a) A person may not knowingly make or cause to be made any material misstatement of fact, including an understatement or overstatement of financial condition, in a statement or report that:

(1) is in or relates to a loan application under this subtitle; or

(2) affects a loan already made under this subtitle.

(b) A person who violates this section is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 2 years or a fine not exceeding $5,000 or both.

§4–901.

(a) In this subtitle the following words have the meanings indicated.

(b) "Cooperative housing corporation" has the meaning stated in § 5–6B–01 of the Corporations and Associations Article.

(c) "Cooperative interest" has the meaning stated in § 5–6B–01 of the Corporations and Associations Article.

(d) (1) "Family of limited income" means a family or individual whose income does not exceed the limits that the Secretary establishes under § 4–915 of this subtitle.

(2) "Family of limited income" includes a trust described in 42 U.S.C. § 1396p(d)(4), or a trust established for the benefit of an individual with a disability by an individual other than the beneficiary and that is funded with assets that were never owned or controlled by the beneficiary, if:

(i) the income of the trust does not exceed the upper income limits established by the Secretary under § 4–915 of this subtitle; and

(ii) the beneficiary of the trust is an individual who resides in the residential building owned by the trust.

(e) "Local rehabilitation program" means a rehabilitation program that uses Program loans and is administered by a political subdivision or a nonprofit sponsor.

(f) "Member" has the meaning stated in § 5–6B–01 of the Corporations and Associations Article.

(g) "Minimum livability code" means a regulation, statute, or ordinance that establishes minimum property maintenance standards that the State or a political subdivision adopts under § 12–203 of the Public Safety Article.

(h) "Nonprofit sponsor" means:

(1) a nonprofit organization;

(2) a political subdivision; or

(3) a limited partnership formed to undertake a rehabilitation project that is eligible wholly or partly for federal programs or incentives, if:

(i) each general partner is a nonprofit organization or a political subdivision; or

(ii) 1. each general partner is a wholly owned subsidiary of a nonprofit organization or political subdivision; and

2. a nonprofit organization or political subdivision manages the rehabilitation project or will receive net cash flow or the residual sale proceeds on the sale of the rehabilitation project.

(i) "Program" means the Maryland Housing Rehabilitation Program.

(j) "Program loan" means a loan or grant under the Maryland Housing Rehabilitation Program or a special loan program.

(k) "Regular Rehabilitation Program" means the Program when used to fund a loan for a single family project.

(l) (1) "Rehabilitation project" means a project to repair, reconstruct, renovate, redevelop, improve, modify, or add to a building for a purpose listed in § 4–923 of this subtitle.

(2) "Rehabilitation project" includes providing utility submetering for dwellings in a residential rental building.

(m) "Special loan program" means:

(1) the Accessory, Shared, and Sheltered Housing Program;

(2) the Indoor Plumbing Program;

(3) the Lead Paint Abatement Program;

(4) the Migratory Worker Housing Program;

(5) the Radon and Asbestos Abatement Pilot Program; and

(6) the Accessible Homes for Senior Homeowners Grant Program.

(n) "Special Rehabilitation Program" means the Program when used to fund a loan under a special loan program.

(o) "Sponsor" means an owner who receives a loan to rehabilitate a building for residential rental purposes or nonresidential purposes.

§4–902.

(a) This subtitle applies to buildings that, after rehabilitation, provide:

(1) traditional dwellings;

(2) single room occupancy;

(3) shared living dwellings in which two or more households can live and share some or all of the living, dining, kitchen, or sanitary facilities; or

(4) congregate or group housing and related services or temporary shelters and related services that serve:

(i) individuals with disabilities or low-income, elderly households, homeless, or other disadvantaged individuals; or

(ii) the nonresidential commercial, business, or social needs of the community where the building is located, so as to enhance the economic feasibility of housing rehabilitation in that community.

(b) This subtitle does not apply to a building that provides group housing unless the group housing is provided by an owner-occupant or a nonprofit sponsor.

§4–903.

The General Assembly finds that:

(1) (i) many residents of the State live in dwellings that do not conform to building, health, safety, fire, occupancy, or other codes and standards applicable to housing;

(ii) many communities or political subdivisions in the State do not have a minimum livability code; and

(iii) these conditions impede the development and maintenance of healthy, safe, and viable communities;

(2) private sector financing is often unavailable for rehabilitation because:

(i) owner–occupants of housing in need of rehabilitation often have low incomes; and

(ii) nonoccupant owners often incur high risks in owning and managing the housing;

(3) rehabilitating suitable housing:

(i) increases the economic life of the housing;

(ii) is often more economical and less disruptive than replacing the housing and relocating its occupants;

(iii) can better promote community development when it is done through organized housing rehabilitation programs;

(iv) is essential for sound community development; and

(v) can be helped by rehabilitating commercial buildings serving communities where housing rehabilitation is desirable;

(4) it is a proper public purpose for which public money may be spent and property acquired to:

(i) rehabilitate housing;

(ii) develop healthful, safe, and viable communities;

(iii) rehabilitate commercial buildings to help rehabilitate and develop housing; and

(iv) provide healthful and safe housing for migratory workers to maintain and expand the agricultural activities that are dependent on the labor of these workers; and

(5) it is a proper public purpose for which public money may be spent to:

(i) improve, modify, and add to housing to increase the supply of special housing for special populations, such as elderly households, individuals with disabilities, and other disadvantaged residents of the State;

(ii) prevent lead poisoning by modifying older housing to provide a lead–safe environment, as lead paint in older housing is a major source of lead poisoning in children;

(iii) provide adequate indoor plumbing, water supply, and sewage disposal systems for dwellings; and

(iv) reduce or eliminate radon and asbestos, which are major detriments to the health and safety of residents, on a pilot program basis.

§4–904.

There is a Maryland Housing Rehabilitation Program.

§4–905.

The Maryland Housing Rehabilitation Program includes:

(1) the Accessory, Shared, and Sheltered Housing Program;

(2) the Indoor Plumbing Program;

(3) the Migratory Worker Housing Program;

(4) the Radon and Asbestos Abatement Pilot Program; and

(5) the Accessible Homes for Senior Homeowners Grant Program.

§4–906.

(a) (1) The Department shall operate the Program and make Program loans.

(2) As much as possible, the Program shall be administered:

(i) in conjunction with federal programs assisting rehabilitation of housing, to ensure maximum use of available federal money; and

(ii) consistently with locally approved plans or programs of concentrated neighborhood revitalization.

(b) (1) Except for Program loans made under a special loan program, the Regular Rehabilitation Program consists of Program loans to rehabilitate residential buildings providing four or fewer dwellings.

(2) The Special Rehabilitation Program consists of Program loans made under a special loan program.

§4–907.

(a) The Regular Rehabilitation Program and the Special Rehabilitation Program shall operate with money in the Special Loan Programs Fund and other money available to the Department for these programs.

(b) If the applications that qualify for a Program loan under the Regular Rehabilitation Program or a special loan program do not commit all money appropriated to that loan program within 6 months after the appropriation, the Department may reallocate the remaining appropriated money to any other program financed by the Special Loan Programs Fund.

§4–908.

The Department may:

(1) limit the return on equity allowed to, or enter into equity participation agreements with, sponsors and nonprofit sponsors;

(2) require and obtain appraisals, credit and title information, and other information related to making Program loans;

(3) contract for services relating to any aspect of the operation of the Program under the procedures required by law for State contracts;

(4) charge and collect:

(i) reasonable application and processing fees; and

(ii) other charges, fees, or reimbursements incidental to Program loans; and

(5) if necessary, limit the cumulative outstanding debt for Program loans made to a trust described in 42 U.S.C. § 1396p(d)(4) to preserve the ongoing financial viability of the Program.

§4–909.

(a) If Program loans are secured by first or junior mortgages, the Department may:

(1) enforce the mortgages;

(2) foreclose on the mortgages and take title to the mortgaged properties, or take deeds in lieu of foreclosure;

(3) convey title to purchasers;

(4) obtain and enforce deficiency judgments;

(5) allow assumption of mortgages; and

(6) contract with private mortgage servicers to perform on behalf of the Department any functions the servicers ordinarily perform.

(b) Without approval or execution by the Board of Public Works, the Department may:

(1) assign mortgages for value;

(2) release mortgages when paid;

(3) foreclose on mortgages;

(4) take deeds in lieu of foreclosure; or

(5) convey property after acquisition.

§4–909.1.

(a) If a Program loan to a member of a cooperative housing corporation is secured by a security interest in the member's cooperative interest, the Department may:

(1) foreclose on the security interest or otherwise enforce the security interest as permitted under Title 9 of the Commercial Law Article;

(2) take possession of the premises in lieu of foreclosure;

(3) obtain and enforce deficiency judgments;

(4) transfer the cooperative interest;

(5) allow assumption of the security agreement; and

(6) contract with private loan servicers to perform on behalf of the Department any functions the private loan servicers ordinarily perform.

(b) Without approval or execution by the Board of Public Works, the Department may:

(1) assign a security interest for value;

(2) release a security interest when paid;

(3) foreclose on a security interest;

(4) take possession of the premises in lieu of foreclosure; or

(5) transfer a cooperative interest after acquisition.

§4–910.

The Department may adopt regulations to carry out the Program.

§4–911.

(a) To ensure that all areas of the State are served, the Department shall allocate at least annually among the counties the money appropriated for making Program loans under the Regular Rehabilitation Program.

(b) When allocating money to a county, the Department shall consider:

(1) the number of families of limited income in the county;

(2) the need to rehabilitate buildings in the county;

(3) the capability of the county to administer a local rehabilitation program; and

(4) other standards that the Department considers relevant to ensure fair and equitable distribution of money among counties.

(c) The Department may:

(1) allocate on a countywide basis first and then make suballocations among participating municipal corporations and nonprofit sponsors within counties;

(2) allocate up to 25% of the total money available in the Special Loan Programs Fund to a reserve; and

(3) from time to time, reallocate the money held in the reserve.

§4–912.

Money that is received as repayment of principal or payment of interest on loans under the Program and that is not appropriated in the State budget may be credited to the Annuity Bond Fund, to be used to pay the principal of or interest on money borrowed by the State and appropriated to the Program.

§4–913.

The Department shall include in its request for appropriations for the Program:

(1) an estimate of the interest rates at which Program loans may be made in the next fiscal year;

(2) the total principal amount of Program loans expected to be made at those interest rates in the next fiscal year; and

(3) any other information that the Secretary of Budget and Management requests about Program loans.

§4–914.

(a) If the Department certifies a political subdivision or nonprofit sponsor as capable of administering a local rehabilitation program, the political subdivision or nonprofit sponsor may originate and administer Program loans under regulations of the Department.

(b) (1) By regulation, the Department shall establish standards for determining the capability of a political subdivision or nonprofit sponsor to administer a local rehabilitation program.

(2) The standards shall include provisions on:

(i) the size, training, and experience of the professional staff that would administer the Program; and

(ii) the capability of the professional staff to:

1. determine rehabilitation needs;

2. establish rehabilitation programs;

3. evaluate applications for Program loans; and

4. monitor Program loans and the rehabilitation work done with them.

(c) If the Department determines that a political subdivision or nonprofit sponsor cannot or does not want to administer a local rehabilitation program, the Department may originate and administer Program loans from the allocation or suballocation to that political subdivision.

(d) The Department may:

(1) help train employees of political subdivisions and nonprofit sponsors to administer local rehabilitation programs under the standards that the Department sets; and

(2) provide political subdivisions and nonprofit sponsors advice and technical assistance on the administration of their local rehabilitation programs, including loan packaging, contractor and bid selection, zoning, marketing, engineering, and related services.

§4–915.

(a) (1) The Secretary shall set upper limits on the income that a family or individual may have to qualify as a family of limited income.

(2) In setting the limits, the Secretary shall consider factors that include:

(i) the portion of the total family income available for housing;

(ii) the size of the family;

(iii) the cost and condition of available housing;

(iv) the ability of the family to compete successfully in the private housing market; and

(v) relevant standards and definitions established for federal and State housing programs.

(b) The Secretary may waive income limits for a borrower or occupant seeking a Program loan to rehabilitate a building that the State historical preservation officer finds historically or architecturally significant.

§4–916.

(a) (1) The Department may make Program loans for housing on terms that the Department considers necessary to make the housing affordable to families of limited income.

(2) The Department may make Program loans in the form of a grant to a family of limited income if:

(i) the family of limited income owns and occupies the dwelling; and

(ii) the Department determines the family of limited income cannot undertake the rehabilitation project without a grant.

(3) The terms may include:

(i) deferred payment of principal and interest until the maturity date or the date of any sale or other transfer of the building or an interest in the building;

(ii) an interest rate as low as 0% or as high as is reasonable, given the incomes of the proposed occupants, if the interest rate does not violate any federal regulation governing the borrowing of money by the State;

(iii) increased interest rates or accelerated payments of principal and interest, if the borrower no longer qualifies for the Program loan; and

(iv) advance payments to a nonprofit sponsor for certain development costs, including architectural, engineering, and attorneys' fees.

(b) Within the maximum income limits for families of limited income, the Secretary may establish:

(1) lower income ranges;

(2) interest rates to be available on Program loans serving occupants with incomes within those lower ranges; and

(3) any preference or reservation of money for applications for Program loans to finance housing to serve occupants in those lower income ranges.

§4–917.

(a) A Program loan:

(1) may not be made if the Department determines that comparable private financing is available to the prospective borrower; and

(2) may not exceed an amount the Secretary establishes by regulation.

(b) (1) Except as provided under paragraphs (2), (3), (4), and (5) of this subsection, a Program loan of more than $5,000 shall be secured wholly or partly by a recorded mortgage or deed of trust on real property.

(2) A Program loan to a political subdivision may be secured by a recorded mortgage, deed of trust on real property, or other security device acceptable to the Department.

(3) A Program loan to a trust described in 42 U.S.C. § 1396p(d)(4) may be secured by a recorded mortgage, deed of trust on real property, or other security device acceptable to the Department.

(4) (i) Subject to subparagraph (ii) of this paragraph, a Program loan to a member of a cooperative housing corporation may be secured by a perfected security interest in the member's cooperative interest.

(ii) Before a Program loan is secured by a perfected security interest in the member's cooperative interest, the Department shall enter into an agreement with the cooperative housing corporation that establishes the rights and obligations of the Department and the cooperative housing corporation with respect to the secured cooperative interest.

(5) A Program loan in the form of a grant may be unsecured or secured by a mortgage, deed of trust, or other security device acceptable to the Department.

(c) Program loans shall be made to:

(1) families of limited income owning and occupying the building to be rehabilitated; or

(2) sponsors or nonprofit sponsors.

(d) The Department may require that Program loans be insured.

(e) A Program loan may cover:

(1) costs of a rehabilitation project, including implementation costs such as appraisal, architectural, and engineering fees; and

(2) closing costs of the Program loan.

(f) The Department may modify the interest rate, the time or amount of payment, or any other term of a Program loan that is in default to facilitate repayment of the Program loan and achieve the purposes of the Program.

§4–918.

(a) (1) When the Department makes a Program loan to finance a residential rehabilitation project, the sponsor or nonprofit sponsor shall restrict some dwellings for occupancy by families of limited income for at least the greater of 15 years and the number of years required by federal law.

(2) The number of dwellings restricted under paragraph (1) of this subsection shall be at least the greater of:

(i) the number that bears the same ratio to the total number of dwellings in the project as the amount the Program loan bears to the total financing of the undertaking; and

(ii) the number of dwellings required for a community development project under § 4–217(b)(1)(ii) of this title or the number of dwellings that the issuer of the bonds chooses, whichever is greater, if a portion of the costs of the residential rehabilitation project is financed by government–issued, federally tax–exempt revenue bonds.

(b) Dwellings restricted for occupancy to meet other federal or State occupancy requirements may be counted toward the number required under subsection (a) of this section.

§4–919.

(a) The Secretary shall establish standards to promote the maximum use of private financing.

(b) If a portion of a rehabilitation project is to be financed by a private lending institution, the Department shall require that the sponsor use all the private financing that the rehabilitation project can support without impairing:

(1) the rehabilitation project; or

(2) affordable housing for families of limited income, if the rehabilitation project is residential.

(c) As long as the State complies with all applicable federal treasury regulations governing borrowing money by the State, a Program loan shall be at an interest rate that at least covers:

(1) the administrative and other expenses of the Program; and

(2) reasonably expected losses from defaults on Program loans.

§4–920.

The Department shall establish a maximum percentage or amount of Program loans from the Rental Housing Programs Fund that may be used for nonresidential rehabilitation.

§4–921.

Rehabilitation loans under the Regular Rehabilitation Program and special loan programs shall be financed by the Special Loan Programs Fund.

§4–922.

(a) In addition to making loans for rehabilitation projects to sponsors, nonprofit sponsors, or families of limited income from the Rental Housing Programs

Fund and the Special Loan Programs Fund, the Department may use money from any other authorized source, including federal programs of assistance for rehabilitation, to make:

(1) grants for rehabilitation projects to families of limited income or nonprofit sponsors; and

(2) loans for rehabilitation projects to sponsors, nonprofit sponsors, or families of limited income.

(b) (1) The Department:

(i) shall use federal programs of assistance for rehabilitation to the maximum extent consistent with the purposes of this subtitle; and

(ii) may do all things necessary to qualify for participation in those programs.

(2) The terms and conditions of loans and grants made under this section shall be in accordance with the legislation or other authority by which the money is made available to the Department.

§4–923.

(a) The purpose of a rehabilitation project is:

(1) to bring a building to a decent, safe, and sanitary condition in accordance with applicable codes and standards, including those for construction, health, safety, fire, and occupancy;

(2) to maintain the building in that condition;

(3) to make the building more useful and attractive;

(4) to conform the building to the appropriate minimum livability code;

(5) to provide, under applicable special loan programs:

(i) lead paint abatement;

(ii) indoor plumbing; or

(iii) shared, accessory, or sheltered housing;

(6) in the case of a loan or grant to an elderly household or a disabled homeowner, to modify or improve a dwelling to make it more accessible or functional for the occupants, if the building is, or after improvements will be, structurally sound and free of health and safety hazards; or

(7) to provide, under applicable special loan pilot programs, radon abatement or asbestos abatement.

(b) (1) The applicable codes and standards under subsection (a)(1) of this section are:

(i) those in force in the political subdivision where the building is located; or

(ii) those that the Department sets by regulation for that political subdivision solely for purposes of this subtitle, if the political subdivision lacks codes and standards that the Secretary considers sufficient to promote the objectives of this subtitle.

(2) With the approval of the local enforcement authority, the Secretary may allow exceptions to a code or standard to preserve the historic or architectural value of a building undergoing rehabilitation under this subtitle.

§4–926.

(a) (1) In this section the following words have the meanings indicated.

(2) "Accessory housing" means a dwelling with complete and independent sleeping, cooking, and living facilities that is:

(i) within, attached to, or on the same parcel as a single-family, owner-occupied dwelling; and

(ii) subordinate to but under the same ownership as the single-family, owner-occupied dwelling.

(3) "Shared housing" means a single-family, owner-occupied dwelling adapted for common and shared living use by the owner-occupant and another family of limited income.

(4) "Sheltered housing" means a single-family, owner-occupied dwelling that:

(i) accommodates the owner-occupant; and

(ii) provides sleeping and living facilities, meals, and assistance with daily activities for a rental fee to not more than 15 elderly individuals or individuals with disabilities.

(b) There is an Accessory, Shared, and Sheltered Housing Program.

(c) The Department shall operate the Accessory, Shared, and Sheltered Housing Program and make loans for rehabilitation costs for accessory, shared, and sheltered housing from the Special Loan Programs Fund under this subtitle.

(d) The terms for accessory, shared, and sheltered housing loans shall satisfy the requirements of § 4-916(b) of this subtitle.

(e) To qualify for an accessory housing loan, an applicant shall:

(1) own the property for which the loan is made and agree to live in the property after the rehabilitation is completed; and

(2) (i) agree to use the loan proceeds to implement a rehabilitation project to provide an accessory dwelling for a family of limited income for a fixed minimum term that the Department determines; or

(ii) be a family of limited income when the loan is made and agree to use the loan proceeds to provide an accessory dwelling for a fixed minimum term that the Department determines.

(f) To qualify for a shared housing loan, an applicant shall:

(1) be a family of limited income;

(2) own the property for which the loan is made and agree to live in the property after the rehabilitation is completed; and

(3) agree to use the loan proceeds to implement a rehabilitation project to provide shared housing or an accessory dwelling for a family of limited income.

(g) To qualify for a sheltered housing loan, an applicant shall:

(1) own the property for which the loan is made and agree to live in the property after the rehabilitation is completed;

(2) agree to provide shelter, meals, and assistance with daily activities to not more than 15 elderly individuals or individuals with disabilities who qualify as families of limited income; and

(3) demonstrate that the property will be certified by the appropriate governmental unit to provide sheltered care to elderly individuals or individuals with disabilities.

§4–927.

(a) There is an Indoor Plumbing Program.

(b) The Department shall:

(1) operate the Indoor Plumbing Program; and

(2) make loans for rehabilitation projects that provide for adequate indoor plumbing from the Special Loan Programs Fund under this subtitle.

(c) (1) The terms for indoor plumbing loans shall meet the requirements of §§ 4-917 through 4-919 of this subtitle.

(2) The Department may forgive all or part of a deferred payment loan, if:

(i) the loan is made to a family of limited income that owns and occupies the dwelling and whose income is within a lower income range established under § 4-916(b) of this subtitle; and

(ii) the Secretary determines that the family of limited income does not have enough income to repay the principal amount of the loan.

(d) To qualify for an indoor plumbing loan, an applicant shall:

(1) own a building that is otherwise structurally sound, or for which the applicant provides a commitment from a lender to finance improvements needed to make the building structurally sound, and that:

(i) has no or incomplete indoor plumbing or a failing septic system; and

(ii) needs indoor plumbing pipes, equipment, wells, septic tanks or other on-site sewer system, or a connection to a community water or sewer system;

(2) live in the building and be a family of limited income, or rent at least two-thirds of the dwellings in the building to families of limited income; and

(3) submit to the Department a proposal for installing an adequate indoor plumbing system for water supply and sewage disposal, including any needed septic system, well, or connection to a community sewer or water system that meets the requirements of the Department of the Environment and every other governmental unit that has jurisdiction over the system.

§4–928.

(a) (1) In this section the following words have the meanings indicated.

(2) (i) "Migratory labor camp" means one or more structures, buildings, tents, barracks, trailers, vehicles, mobile homes, converted buildings, or unconventional enclosures of living space that are established, operated, or used as living quarters for four or more migratory workers engaged in agricultural activities, including related food processing.

(ii) "Migratory labor camp" includes appurtenant land.

(3) "Migratory Housing Program" means the Migratory Worker Housing Program.

(4) "Migratory worker" means an individual from within or outside the State who:

(i) is not a year-round employee but moves seasonally from one place to another for work; and

(ii) during a period of work, occupies living quarters that are not the individual's permanent home.

(b) There is a Migratory Worker Housing Program.

(c) The Department shall:

(1) operate the Migratory Housing Program;

(2) make migratory worker housing loans from the Special Loan Programs Fund under this subtitle to a qualified owner of a migratory labor camp to make migratory worker housing safer and more healthful; and

(3) to the extent determined by the Secretary, administer the Migratory Housing Program in conjunction with any appropriate federal program.

(d) To the extent applicable, migratory worker housing loans shall satisfy the requirements of § 4-916(b) of this subtitle.

(e) To qualify for a migratory housing loan, the owner of a migratory labor camp shall:

(1) live or have a principal place of business in the State;

(2) have been denied a loan by a private lending institution or have received a commitment from a private lending institution for less than the amount of money required to finance the necessary health and safety improvements; and

(3) submit to the Department a plan for the necessary health and safety improvements that has been approved by the Department of the Environment.

§4–930.

(a) There is a Radon and Asbestos Abatement Pilot Program.

(b) The Department shall:

(1) operate the Radon and Asbestos Abatement Pilot Program; and

(2) make loans for rehabilitation projects for radon and asbestos abatement.

(c) The terms of loans shall meet the requirements under §§ 4-917 through 4-919 of this subtitle.

(d) (1) To qualify for a loan, an applicant shall:

(i) own a building in need of radon or asbestos abatement:

1. that is otherwise structurally sound; or

2. for which the applicant provides a commitment from a lender to finance improvements to make the building structurally sound; and

(ii) make a proposal to the Department for treatment that complies with the requirements and procedures of the Department of the Environment for radon or asbestos abatement.

(2) In addition to the requirements in paragraph (1) of this subsection, the applicant shall:

(i) live in the building and be a family of limited income;

(ii) agree to rent at least two-thirds of the dwellings in the building to families of limited income; or

(iii) agree to provide congregate or group housing or temporary shelters to families of limited income.

§4–931.

(a) In this section, "Grant Program" means the Accessible Homes for Senior Homeowners Grant Program.

(b) There is an Accessible Homes for Senior Homeowners Grant Program.

(c) The Department may make a grant to finance an accessibility–related renovation or repair activity for an elderly homeowner.

(d) The Department may establish standards to determine the eligibility of an applicant under the Grant Program.

(e) In determining whether to make a grant under the Grant Program, the Department shall require that an applicant submit evidence that the applicant cannot undertake the renovation and repairs without a grant.

(f) Grants under the Grant Program may be used in conjunction with other:

(1) accessible housing for seniors loans; and

(2) special loan programs under this subtitle.

(g) The Department may require that all or part of the grant under the Grant Program be repaid if conditions specified by the Department occur.

§4–933.

(a) A person may not knowingly make or cause to be made a false statement of material fact, including an overstatement or understatement of financial condition, to influence the action of the Department on a grant or loan or an application for a grant or loan under this subtitle.

(b) A person who violates this section is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 2 years or a fine not exceeding $5,000 or both.

(c) If a borrower violates this section, the Department may immediately accelerate the loan, whether or not a criminal prosecution has begun and regardless of the status of the prosecution.

§4–1001.

(a) In this subtitle the following words have the meanings indicated.

(b) “Fund” means the Neighborhood Housing Services Fund.

(c) “Neighborhood corporation” means a neighborhood housing services corporation established in connection with the Neighborhood Reinvestment Corporation.

(d) (1) “Operating budget” means the money necessary to operate a neighborhood corporation, including money to pay:

(i) administrative, technical, legal, or other expenses; and

(ii) expenses incurred by an umbrella corporation in operating programs.

(2) “Operating budget” does not include money allocated to revolving or other loan funds.

(e) “Program” means a program that a neighborhood corporation establishes and supervises to achieve its goals and to provide services within a specific neighborhood.

(f) “Umbrella corporation” means a neighborhood corporation that establishes and supervises at least two programs.

§4–1002.

(a) There is a Neighborhood Housing Services Fund.

(b) The Department shall administer the Fund.

§4–1003.

The Department may adopt regulations to carry out this subtitle.

§4–1004.

(a) To be eligible for a grant under this subtitle, a neighborhood corporation or umbrella corporation shall:

(1) submit a timely application in the form that the Secretary prescribes;

(2) create a board of directors composed of:

(i) a member of the General Assembly;

(ii) neighborhood residents;

(iii) representatives of local financial institutions; and

(iv) representatives of local political subdivisions, if not inconsistent with local law;

(3) be authorized to establish and administer a revolving loan fund by lending money at flexible rates and terms to neighborhood homeowners who cannot obtain mortgage financing on reasonable terms through normal lending channels to preserve or revitalize neighborhoods and encourage homeownership; and

(4) be authorized to establish and administer, in cooperation with appropriate officials of the political subdivision, a housing program to bring neighborhood dwellings to acceptable levels of health and safety.

(b) The Secretary or the Secretary's designee shall be a voting member of each neighborhood corporation receiving grants from the Department.

(c) An application for a grant under subsection (a)(1) of this section shall contain:

(1) a description of the boundaries of the area that the neighborhood corporation or Program serves;

(2) certification that the applicant is registered with the Neighborhood Reinvestment Corporation;

(3) certification of incorporation under State law;

(4) certification of receipt of a ruling from the Internal Revenue Service that the applicant is exempt from federal income taxation;

(5) certification that the portion of the applicant's annual operating budget that will not be covered by the grant sought has been provided exclusively from political subdivisions or private sources; and

(6) any other information that the Secretary requires.

§4–1005.

(a) (1) Each eligible neighborhood corporation may apply for a grant in an amount up to $50,000 that does not exceed one-third of its annual operating budget.

(2) Each umbrella corporation may apply for a grant for each program under its supervision in an amount up to $50,000 that does not exceed one-third of the annual operating budget of the program.

(b) If the amount requested by eligible applicants in a fiscal year exceeds the amount of the Fund, the Secretary shall reduce each grant pro rata so that the Fund amount appropriated for that fiscal year is not exceeded.

§4–1101.

(a) The Department shall award operating assistance grants to nonprofit organizations to increase their capacity to participate in housing projects and activities authorized by the programs that are financed through the Homeownership Programs Fund under § 4-502 of this title, the Rental Housing Programs Fund under § 4-504 of this title, the Special Loan Programs Fund under § 4-505 of this title, or otherwise financed totally or partly by the Department.

(b) To be eligible for an operating assistance grant under this section, a nonprofit organization must have limited expertise or no recent experience participating in projects or activities financed wholly or partly by the Department.

(c) A nonprofit organization may receive a grant or grants under this section for up to 3 years to increase its capacity to participate in each of the housing development areas of rental housing programs, homeownership programs, and special loan programs.

(d) A grant under this section may be for a term of up to 3 years if the Department finds that:

(1) the performance of the nonprofit organization in the prior year was acceptable; and

(2) money is appropriated and available to pay the grant.

§4–1102.

(a) The Department shall award operating assistance grants to nonprofit organizations to further the production or rehabilitation of limited income housing by those organizations or by individuals they help.

(b) A nonprofit organization is eligible for a grant if it meets the performance and other standards that the Department sets and:

(1) makes an application that:

(i) describes the housing project;

(ii) includes evidence of acceptable performance in the prior year, if the nonprofit organization received a grant in the prior year; and

(iii) is acceptable to the Department;

(2) has helped individuals to apply for loans from the Department; or

(3) was responsible for originating applications, as certified by a political subdivision approved by the Department.

§4–1103.

A nonprofit organization may use an operating assistance grant for predevelopment, operating, and overhead costs, including:

(1) staff costs;

(2) organizational costs; and

(3) for a grant under § 4-1102 of this subtitle, costs relating to applying for loans or helping individuals to apply for loans.

§4–1104.

(a) Operating assistance grants under this subtitle may not exceed the amounts that the Department sets.

(b) During a fiscal year, all operating assistance grants under this subtitle shall be made from:

(1) up to 1% of the total amount of budgeted money in the Homeownership Programs Fund under § 4-502 of this title, the Rental Housing Programs Fund under § 4-504 of this title, and the Special Loan Programs Fund under § 4-505 of this title; and

(2) money appropriated from any other source.

§4–1105.

The Department shall adopt regulations to carry out this subtitle.

§4–1201.

(a) In this subtitle the following words have the meanings indicated.

(b) "Fund" means the Partnership Rental Housing Fund.

(c) "Household of lower income" means a household that qualifies under § 4-1206 of this subtitle.

(d) "Housing authority" means a housing authority authorized under Division II of this article.

(e) "Partnership project" means an undertaking that the Program finances to acquire, construct, reconstruct, renovate, or rehabilitate a building or improvement, or a part of a building or improvement.

(f) (1) "Partnership rental housing" means rental housing financed under this subtitle.

(2) "Partnership rental housing" includes apartments, condominium units, cooperatives, town houses, town homes, single room occupancy and shared living unit facilities, and single-family homes.

(g) "Program" means the Partnership Rental Housing Program.

§4–1202.

The General Assembly finds that:

(1) there is a shortage of decent, safe, and sanitary rental housing for households of lower income;

(2) the private sector often cannot develop, improve, operate, and maintain housing for households of lower income; and

(3) to address this shortage, a partnership is needed among the State, political subdivisions, housing authorities, the private sector, and households of lower income to develop, operate, and maintain housing for households of lower income.

§4–1203.

There is a Partnership Rental Housing Program.

§4–1204.

The purposes of the Program are to:

(1) provide decent, safe, and sanitary rental housing for households of lower income;

(2) provide financial assistance to political subdivisions or housing authorities to acquire, construct, reconstruct, renovate, or rehabilitate rental housing affordable to households of lower income;

(3) stimulate the development and ownership of rental housing for households of lower income by political subdivisions, housing authorities, or partnerships that include political subdivisions or housing authorities;

(4) provide financial assistance to private sector entities to acquire, construct, reconstruct, renovate, or rehabilitate housing units:

(i) for sale to political subdivisions, housing authorities, or partnerships that include political subdivisions or housing authorities, as affordable rental housing for households of lower income; or

(ii) for occupancy by households of lower income that include one or more individuals with disabilities or special needs;

(5) promote affordable housing programs and increased contributions to the production of affordable rental housing by political subdivisions, housing authorities, and the private sector, including for profit and nonprofit entities;

(6) encourage households of lower income that live in partnership rental housing to contribute actively to the operation or maintenance of the housing or the community;

(7) finance rental housing that is:

(i) to be occupied by households of lower income;

(ii) to be owned by political subdivisions or housing authorities or partnerships that include political subdivisions or housing authorities; and

(iii) expected to be financially self-sufficient, without further governmental financing for maintenance, renovation, or operating subsidies; and

(8) encourage the private sector to provide rental housing for households of lower income that include one or more individuals with disabilities or special needs.

§4–1205.

(a) The Department shall:

(1) administer the Program;

(2) adopt policies and procedures that encourage partnership rental housing throughout the State; and

(3) adopt regulations to carry out the Program, including regulations that specify criteria for local contributions to the cost of partnership projects undertaken by a political subdivision or housing authority.

(b) The Department may establish:

(1) maximum limits for financing that it will provide to:

(i) individual partnership rental housing units;

(ii) any one partnership project; or

(iii) any political subdivision or housing authority;

(2) a process for approving financing for partnership projects that encourages a broad geographic distribution of money; and

(3) the time that a household may occupy the partnership rental housing after the annual income of the household exceeds the continuing occupancy income limits for households of lower income.

(c) In administering the Program, the Department may make loans either directly or through the Administration.

§4–1206.

A household qualifies as a household of lower income:

(1) for initial occupancy, if the gross annual income of the household does not exceed:

(i) 50% of the statewide median income for a household of like size; or

(ii) a lower income level that the Secretary establishes for a particular partnership project or for a unit of partnership rental housing to be occupied by one or more individuals with disabilities or special needs; and

(2) for continuing occupancy, if the gross annual income for the household does not exceed the greater of:

(i) an income level that the Secretary establishes; and

(ii) an applicable federal requirement.

§4–1207.

(a) Except as provided in subsection (c) of this section, the Department may approve an application for a proposed partnership project only if:

(1) the application is authorized by the chief elected official of the political subdivision or, if there is no chief elected official, by the governing body of the political subdivision in which the project is located;

(2) the political subdivision or housing authority:

(i) contributes from non–State sources the land for the partnership rental housing;

(ii) funds the part of the acquisition cost of the property that is attributable to the value of the land; or

(iii) makes a contribution under § 4–1208(d)(2) of this subtitle that equals or exceeds the value of the land;

(3) the political subdivision or housing authority is to have an ownership interest in the partnership project or in the rental units financed by the Program and sold to the political subdivision or housing authority or to a partnership that includes the political subdivision or housing authority;

(4) the political subdivision or housing authority directly or indirectly manages the partnership project;

(5) the rental units financed by the Program are to be occupied on completion of the acquisition, construction, reconstruction, renovation, or rehabilitation by households of lower income;

(6) unless prohibited by any applicable federal requirement, the households of lower income occupying the partnership project or the part financed by the Program are required to contribute services to enhance or maintain the partnership project or the community in a way that the political subdivision or housing authority accepts; and

(7) it is reasonable to anticipate that:

(i) more State subsidies will not be needed for long–term occupancy by households of lower income; and

(ii) rental income, including any contribution to allow for more affordable rents under § 4–1208(d) of this subtitle, will be enough to pay the operating costs of the partnership project and to build an adequate reserve for the long–term maintenance and renovation of the partnership project.

(b) The rental units financed by the Program may include, as among those that must be occupied by households of lower income, rental units restricted for occupancy to meet other federal or State occupancy requirements.

(c) The Department may approve the use of partnership rental housing funds for a unit of partnership rental housing that does not comply with each requirement set forth in subsection (a) of this section if:

(1) the unit will be occupied by a household of lower income that includes one or more individuals with disabilities or special needs; and

(2) the project in which the unit is located complies with the requirements of the other State housing programs financing the project, if any.

§4–1208.

(a) A political subdivision, housing authority, or other eligible borrower may participate in the Program and do all things necessary or convenient to its participation, including:

(1) developing, acquiring, improving, owning, operating, and managing rental housing;

(2) borrowing money; and

(3) mortgaging, pledging, and granting a security interest in real or personal property related to a particular partnership project.

(b) Except as provided in subsection (g) of this section, the Department may not require a borrower to repay money made available under the Program, unless the borrower:

(1) sells the partnership project; or

(2) fails to operate the partnership project for the benefit of households of lower income in accordance with agreements between the Department and the political subdivision or housing authority.

(c) The Department shall secure the obligations of the borrower by using a mortgage, deed of trust, or other security device that the Department accepts on the property or on revenues derived from the property.

(d) (1) To allow for more affordable rents, a political subdivision or housing authority may contribute local money, including locally administered federal money or federal rental assistance.

(2) The contributions of political subdivisions or housing authorities under § 4–1207(a)(2)(iii) of this subtitle may include the costs of:

(i) necessary studies, surveys, tests, plans, and specifications;

(ii) architectural, design, engineering, and other special services;

(iii) site preparation;

(iv) indemnity and surety bonds and premiums on title and hazard insurance; and

(v) other costs of development.

(e) To participate in the Program and to receive loans, a political subdivision or housing authority may not be required to pledge its full faith and credit.

(f) For rental housing financed from the Fund and owned or managed by a housing authority, this subtitle supersedes:

(1) §§ 12–401, 12–402, and 12–405 of this article; and

(2) all other restrictions on tenant income under Division II of this article.

(g) If necessary to comply with, or receive the benefit of, federal or other financial assistance, funds provided under the Program may be made available as a deferred payment loan repayable on the later of:

(1) the occurrence of one of the events set forth in subsection (b) of this section; or

(2) a maturity date set by the Department.

§4–1209.

(a) (1) A person may not knowingly make or cause to be made a false statement or report in a document required to be given to the Department in connection with the Program.

(2) A person may not knowingly make or cause to be made a false statement or report to influence the action of the Department in connection with the Program.

(b) A person who violates this section is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 5 years or a fine not exceeding $50,000 or both.

§4–1301.

In this subtitle, "Program" means the Radium Grant Program.

§4–1302.

There is a Radium Grant Program.

§4–1303.

The purpose of the Program is to provide financial assistance to residential well owners who incur the cost of adding a water treatment system to remove radium or gross alpha from well water.

§4–1304.

A county may participate in the Program.

§4–1305.

(a) A county that participates in the Program shall process grant applications and award grants to residential well owners in accordance with this subtitle.

(b) (1) The Department may award a grant under the Program only to a residential well owner who resides in a county that participates in the Program.

(2) The Department shall award a grant equal to the grant awarded by the county.

§4–1306.

A residential well owner is eligible for a grant under this subtitle if the residential well owner:

(1) tests a well and finds that it contains radium or gross alpha levels above the levels recommended by the federal Environmental Protection Agency;

(2) installs a water treatment system to remove excess levels of radium or gross alpha from well water; and

(3) does not earn more than 110% of the statewide or Washington, D.C. Metropolitan statistical area median income.

§4–1307.

(a) The Department shall establish for participating counties a sliding scale formula, based on income, under which residential well owners with lower incomes are eligible for larger grants and those with higher incomes are eligible for smaller grants.

(b) The combined county and State grants shall equal at least 10% but not more than 25% of the cost of the water treatment system that the residential well owner installs.

§4–1308.

The Department may adopt regulations to carry out this subtitle.

§4–1401.

In this subtitle, "programs" means rental assistance programs other than the Rental Allowance Program established under § 4–1403 of this subtitle and the Statewide Rental Assistance Voucher Program established under Subtitle 29 of this title.

§4–1402.

There are the Rental Allowance Program and other programs in the Department.

§4–1403.

(a) The Department shall administer the Rental Allowance Program to assist low–income households that are homeless or at risk of being homeless by providing housing assistance payments to or on behalf of eligible households.

(b) The Secretary shall establish:

(1) income limits for eligibility of low–income households not exceeding 30% of the State or area median income, whichever is higher; and

(2) minimum standards for eligible dwelling units.

(c) The Secretary shall establish the amount of payments made through the Rental Allowance Program, taking into account factors identified in § 4–1405(d) of this subtitle.

(d) Eligible uses of payments may include rent, security deposits, utilities, and other housing–related expenses.

(e) The Department may administer the Rental Allowance Program by providing monthly housing assistance payments to or on behalf of eligible households directly or through political subdivisions, their local housing agencies or departments, or nonprofit organizations.

(f) Funds appropriated to serve low–income households through the Rental Allowance Program may not be used for other programs authorized under this subtitle.

(g) The Department may adopt regulations to carry out the Rental Allowance Program, including time frames for assistance and other criteria the Secretary considers appropriate.

§4–1404.

The Department may establish and administer programs, including programs to assist households that:

(1) are homeless or at risk of homelessness;

(2) include an individual with a disability or special need;

(3) have been displaced or otherwise impacted by disaster; or

(4) have a critical or emergency housing need.

§4–1405.

(a) The Department may administer the programs by providing monthly housing assistance payments to or on behalf of eligible households directly or through political subdivisions, their local housing agencies or departments, or nonprofit organizations.

(b) In establishing the programs, the Department shall consult with, as appropriate:

(1) the Department of Human Services;

(2) the Department of Disabilities; or

(3) any other unit of State or local government.

(c) The Secretary shall establish criteria for the programs, including:

(1) income limits for eligibility of households;

(2) time frames for assistance;

(3) monthly assistance amounts;

(4) standards for eligible dwelling units, including types of units, inspection standards, and rent limits;

(5) eligible uses of assistance payments which may include security deposits, utilities, and other housing related expenses; and

(6) any other criteria the Secretary considers appropriate.

(d) In establishing the program criteria, the Secretary may consider factors that include:

(1) household size and expected average income;

(2) regional variations throughout the State;

(3) typical housing costs and expenses;

(4) relevant standards and definitions established for State and federal housing programs;

(5) housing needs of eligible households and the expected duration of the housing needs; and

(6) equitable distribution of funds statewide.

(e) The Secretary may establish different criteria for different programs.

§4–1406.

The Department may adopt regulations to carry out the programs.

§4–1601.

(a) In this subtitle the following words have the meanings indicated.

(b) "Covered county" means:

(1) a county that has adopted home rule powers under Article XI-F of the Maryland Constitution; or

(2) Anne Arundel County, Calvert County, Frederick County, Howard County, or Washington County.

(c) "Family of low or moderate income" means a family or individual that a covered county determines cannot afford a price or rent sufficient to induce private enterprise in the covered county to build enough adequate, safe, and sanitary housing without the assistance of a program.

(d) "Program" means a residential mortgage program under this subtitle.

§4–1602.

(a) The General Assembly finds that:

(1) in many areas of covered counties, including areas that contain presently stable neighborhoods and middle class residential housing, families of low or moderate income cannot purchase, rehabilitate, or maintain decent, safe, and sanitary housing, and so do not have an opportunity for home ownership directly or through a condominium or cooperative;

(2) the inability of families of low or moderate income under item (1) of this subsection is the result of continuing increases in:

(i) the cost of construction or rehabilitation;

(ii) county taxes;

(iii) heating and electricity expenses;

(iv) maintenance and repair expenses;

(v) inflation;

(vi) the cost of land;

(vii) the cost of energy conservation; and

(viii) borrowing costs, including interest;

(3) the inability of families of low or moderate income to purchase and hold housing in covered counties results in the decline of new housing, the decay of existing housing and neighborhoods, and increased costs for welfare, police, and fire protection;

(4) the decline in new housing construction and the decay of existing housing have produced a critical shortage of adequate housing, harming the economy of covered counties and the well-being of residents;

(5) private enterprise cannot construct or rehabilitate adequate housing for families of low or moderate income without the assistance of a program; and

(6) forcing families of low or moderate income to live in substandard housing is undesirable because it decreases the interest of the families in their communities and the maintenance of their property and their neighborhoods.

(b) The General Assembly finds that:

(1) it will be hard for many residents in covered counties to find decent, safe, and sanitary housing unless housing is constructed or rehabilitated;

(2) unless the supply of housing and the ability of families of low or moderate income to get mortgage financing are increased significantly and expeditiously, many residents of covered counties may have to live in unsanitary, overcrowded, or unsafe conditions to the detriment of the health, welfare, and well-being of these individuals and of the whole community of which they are a part; and

(3) increasing the housing supply in covered counties and the ability of families of low or moderate income to get mortgage financing will:

(i) help in the clearance, replanning, development of, and redevelopment of blighted areas;

(ii) reduce the critical shortage of adequate housing; and

(iii) greatly enhance the maintenance and use of existing housing and neighborhoods.

(c) The General Assembly finds that:

(1) a major cause of the housing crisis is a lack of:

(i) money that can be borrowed at a cost low enough to enable families of low or moderate income to afford to own and maintain decent, safe, and sanitary housing; and

(ii) money with which private mortgage lenders can finance housing; and

(2) the lack of money has frustrated the maintenance, sale, and purchase of existing housing in covered counties.

(d) The General Assembly finds that covered counties have a basic public interest in:

(1) providing a supplemental source of single-family residential mortgage money for families of low or moderate income at a cost lower than otherwise prevailing for residential mortgages; and

(2) stimulating a steady flow of money for residential housing for families of low or moderate income and for low and middle class residential housing to help maintain:

(i) a well-balanced society;

(ii) existing housing;

(iii) established neighborhoods; and

(iv) a sound tax base.

(e) The General Assembly finds that the power given by this subtitle and the spending of public money as needed to carry out a program serve a public purpose, and this subtitle is in the public interest.

§4–1603.

The purposes of this subtitle are to:

(1) help remedy the conditions described in § 4-1602 of this subtitle;

(2) make residential mortgage loans available to families of low or moderate income at borrowing costs lower than those otherwise prevailing for residential mortgages;

(3) help reduce the shortage of adequate housing; and

(4) help maintain housing and neighborhoods.

§4–1604.

(a) To accomplish the purpose of this subtitle and notwithstanding any other law, a covered county may borrow money by issuing revenue bonds, notes, or other evidences of obligation.

(b) Money under subsection (a) of this section shall be made available for residential mortgage loans to families of low or moderate income, only through mortgage lending institutions by:

(1) forward commitment mortgage purchase;

(2) existing mortgage purchase;

(3) loans to lenders;

(4) revolving mortgage fund; or

(5) any other means that the legislative body of the covered county considers appropriate.

§4–1605.

A covered county may collect from borrowers in a program the charges that the legislative body of the covered county considers proper for:

(1) loan processing;

(2) loan administration;

(3) mortgage insurance; and

(4) other costs and expenses of the program.

§4–1606.

(a) The legislative body of a covered county that undertakes a program shall adopt an ordinance or resolution that specifies:

(1) the proposed program;

(2) the amount of bonds to be issued;

(3) the interest rate or rates that the bonds will bear or the method to determine the rate or rates; and

(4) other provisions consistent with this subtitle that the legislative body considers appropriate to finance mortgage loans.

(b) An ordinance or resolution that authorizes the issuance of bonds shall include findings about:

(1) the appropriate ranges of income of families of low or moderate income;

(2) the need for the financing that is allowed under this subtitle;

(3) the types of housing available and needed in the covered county; and

(4) other factors that the legislative body of the covered county finds appropriate to establish a program.

(c) A finding by the legislative body of a covered county about the qualification of an individual or family as a family of low or moderate income, or about any other matter connected with a program is conclusive in a suit, action, or proceeding that involves the validity or enforceability of a bond issued under this subtitle or the security for the bond.

§4–1607.

(a) The legislative body of a covered county that issues bonds under this subtitle shall determine:

(1) the time or times when interest is to be paid on the bonds;

(2) the time or times when the bonds are to be executed, issued, and delivered;

(3) the form, denomination, and tenor of the bonds;

(4) the time or times when the principal of the bonds is to be paid, which may not be more than 40 years after the bonds are issued; and

(5) the place or places where the bonds are to be paid.

(b) The bonds may be secured by:

(1) a pledge of mortgages or notes secured by deeds of trust on any type of interest in real or other property, including the real property or other interests held by stock cooperatives or condominiums and their unit owners;

(2) servicing agreements;

(3) condemnation proceeds;

(4) private, governmental, or other mortgage insurance proceeds;

(5) casualty or special hazard insurance proceeds; or

(6) any other security that the legislative body of the covered county finds appropriate.

(c) The bonds may provide that, at the option of the covered county, the bonds or any one of them may be called for redemption before maturity, at a price and under the terms and conditions that the legislative body of the covered county fixed before issuing the bonds.

(d) The following are exempt at all times from taxation of every kind and nature whatsoever by the State or a county:

(1) the principal of a bond;

(2) the transfer of, interest payable on, or income derived from a bond; and

(3) profit made by the sale or transfer of a bond.

(e) A bond issued under this subtitle is a negotiable instrument.

(f) A covered county may:

(1) issue its bonds in coupon form; or

(2) provide for registration of the bonds as to principal alone or principal and interest.

(g) (1) The bonds shall be signed by a commissioner or other chief executive officer of the covered county.

(2) The seal of the covered county shall be affixed to the bond and attested to by the clerk or the officer exercising the functions of a clerk.

(3) An officer's signature or countersignature that appears on bonds or coupons is valid even if the officer leaves office before delivery of the bonds.

§4–1608.

(a) (1) The bonds shall be sold at public or private sale on the terms that the legislative body of the covered county sets.

(2) The bonds are not subject to §§ 19–205 and 19–206 of the Local Government Article.

(b) (1) The bonds and the interest on them shall be limited obligations of the covered county.

(2) The principal and interest on the bonds shall be payable only from:

(i) the revenue derived from:

1. interest;

2. mortgage insurance;

3. casualty or special hazard insurance or other insurance proceeds; or

4. condemnation proceeds;

(ii) other revenue derived from mortgage loans or property securing the loans; or

(iii) other payments or revenues derived from or relating to the making of the loans.

(3) The bonds or coupons issued under this subtitle:

(i) are not an indebtedness or a charge against the general credit or taxing powers of the issuing county within the meaning of a constitution, county code provision, or statutory limit; and

(ii) are not and do not give rise to a monetary liability of the issuing county.

(4) On the advice of counsel, the face of each bond may plainly state that the bond was issued under this subtitle and is not an indebtedness to which the faith and credit of the county is pledged.

(c) Money received from bonds issued under this subtitle shall be applied solely:

(1) to make money available through mortgage lending institutions only for residential mortgage loans to families of low or moderate income;

(2) to establish reserves;

(3) to pay the necessary expenses of financing; or

(4) to advance the payment of interest on the bonds during the first 3 years after the date of the bonds.

§4–1609.

(a) A covered county may issue new bonds to pay outstanding bonds in accordance with procedures of this subtitle and § 19–207 of the Local Government Article.

(b) New bonds shall be secured to the same extent and shall have the same source of payment as the bonds refunded.

§4–1610.

(a) A program may provide for loan agreements, security agreements, loan servicing agreements, forms of mortgages, notes and deeds of trust, and other security, documents, agreements, provisions, and other matters as the covered county may find appropriate to implement the financing of the program.

(b) A transaction under this subtitle is not a capital project within the meaning of a charter or statutory provision.

(c) A transaction under this subtitle shall be authorized by ordinance or resolution without a referendum or other procedure not applicable to all ordinances or resolutions enacted in the covered county.

§4–1701.

(a) In this subtitle the following words have the meanings indicated.

(b) "Family of limited income" means a family or individual that qualifies under § 4-1706 of this subtitle.

(c) "Owner-builder" means an individual or family that provides all, or a substantial amount, as the Department determines, of the labor to build a dwelling that will be the principal residence of the individual or family.

(d) "Program" means the Self-Help Homeownership Technical Assistance Program.

(e) "Project" means six or more dwellings near one another that are built or rehabilitated by owner-builders or self-help rehabilitators who use self-help methods and work as a team on each other's dwellings.

(f) "Self-help rehabilitator" means an individual or family that provides all, or a substantial amount, as the Department determines, of the labor to rehabilitate, renovate, or improve the principal residence of the individual or family.

(g) "Technical assistance grant" means a grant under the Program.

§4–1702.

The General Assembly finds that:

(1) homeownership is a stabilizing factor for communities and families and is the best way for families of limited income to build equity and move out of poverty;

(2) homeownership has become less affordable over time because incomes have not kept pace with the rising costs of homeownership;

(3) self-help housing helps families of limited income to become homeowners, increasing their financial stability;

(4) families working together in groups to build their homes help to create stronger communities; and

(5) there have been three successful federally financed self-help programs in the State, and modeling a State self-help ownership program on a well-tested federal program will increase homeownership opportunities for families of limited income across the State.

§4–1703.

There is a Self-Help Homeownership Technical Assistance Program.

§4–1704.

The purpose of the Program is to make technical assistance grants to expand:

(1) the production of decent and affordable housing for families of limited income through self-help in rehabilitation and construction;

(2) homeownership opportunities for those who would not have these opportunities without the cost savings achieved by self-help; and

(3) self-reliance, pride of ownership, and sense of community for participants.

§4–1705.

The Department shall:

(1) administer the Program;

(2) establish guidelines to determine eligibility of applicants for technical assistance grants; and

(3) adopt regulations to carry out the Program.

§4–1706.

(a) A family or individual qualifies as a family of limited income if the income of the family or individual does not exceed the upper income limit that the Secretary establishes.

(b) Factors that the Secretary shall consider in setting the upper income limit under subsection (a) of this section include:

(1) the total amount of family or individual income deemed available for housing;

(2) the size of the family;

(3) the ability of the family or individual to compete successfully in the private housing market;

(4) the cost and condition of available housing; and

(5) standards and definitions under related federal and State housing programs.

§4–1707.

The Department may establish standards to determine eligibility for a technical assistance grant, which may include:

(1) the number of families of limited income that the requested grant will serve;

(2) the extent to which the applicant will use federal, State, and local programs and resources in the project;

(3) the organizational ability of the applicant to carry out the project;

(4) the feasibility of the project;

(5) the cost in self–help housing fund money per unit of the project; and

(6) the extent to which project participants will use self–help labor.

§4–1708.

(a) The Department may award a technical assistance grant to a political subdivision or nonprofit organization to help families of limited income that are owner–builders or self–help rehabilitators.

(b) A technical assistance grant under this section shall be used to:

(1) help, train, and supervise owner–builders and self–help rehabilitators in self–help construction activities and techniques;

(2) help in project development, including:

(i) preparing plans for self–help housing;

(ii) preparing contracts for professional services;

(iii) applying for financing;

(iv) packaging applications for assistance;

(v) preparing subdivision maps;

(vi) reviewing engineering plans and specifications for construction and rehabilitation projects; and

(vii) complying with the requirements of political subdivisions and funding entities; and

(3) pay the administrative costs of providing technical assistance for the activity that the Department finances.

(c) A technical assistance grant may not be:

(1) used to purchase land, materials, tools, or construction equipment or to pay for construction costs; or

(2) awarded for a project of fewer than six dwellings.

§4–1709.

The Department may award a technical assistance grant to a political subdivision, public entity, or nonprofit organization to provide owner–builders and self–help rehabilitators with information and technical assistance about any topic that the Department finds will further the purpose of the Program, including:

(1) cost savings by owner–builders in constructing a principal residence and by self–help rehabilitators in rehabilitating, renovating, or improving a principal residence;

(2) construction materials and methods;

(3) local material sources;

(4) local technical resources;

(5) financing requirements and opportunities;

(6) site acquisition;

(7) insurance and legal requirements;

(8) building and housing codes and standards; and

(9) other available housing alternatives.

§4–1710.

(a) The Department may award a technical assistance grant only if the applicant agrees to:

(1) a budget that states the types and amounts of expenditures that may be made with the grant;

(2) the manner, timing, and conditions for disbursement of money to the grantee;

(3) a timetable to complete each stage of the project and for final project completion; and

(4) terms to ensure compliance with regulations, special conditions imposed by grant approval, and any other terms or conditions that the Department specifies.

(b) The amount of a technical assistance grant may not exceed 20% of the average purchase price, over the last 3 fiscal years for which data are available, of a home:

(1) financed by a mortgage loan that the Administration purchased under § 4–239 of this title; and

(2) located in the region where the technical assistance grant is to be awarded.

(c) (1) Except as provided in paragraph (2) of this subsection, a technical assistance grant recipient shall complete the project within 2 years after the effective date of the grant.

(2) The Department may extend the term of a technical assistance grant because of delays beyond the reasonable control of the recipient.

(d) The Department may require that all or part of a technical assistance grant be repaid when conditions that the Department specifies occur.

§4–1801.

(a) In this subtitle the following words have the meanings indicated.

(b) “Affordable” means that housing costs do not exceed 30% of a household’s income.

(c) “Area median income” means the median household income for the area adjusted for household size as published and annually updated by the United States Department of Housing and Urban Development.

(d) “Development costs” means costs related to acquisition, site clearance and preparation, relocation, construction, renovation, financing, refinancing, engineering, or architectural plans.

(e) “Fund” means the Workforce Housing Fund.

(f) “Household of low or moderate income” means a household that a qualifying local government determines cannot afford a sales price or rent sufficient to induce private enterprise in the area of the qualifying local government to develop enough adequate and safe housing without the assistance of a program.

(g) “Housing costs” means:

(1) rent for a rental housing unit; or

(2) mortgage principal and interest, real property taxes, and insurance for a housing unit that is for sale.

(h) “Net proceeds of transfer” means all amounts paid to the original buyer or obligations of the original buyer assumed by a purchaser of a workforce housing unit minus:

(1) reasonable costs paid by the original buyer;

(2) the combined amount of Program funds and qualifying local government matching funds used to develop the workforce housing unit; and

(3) other liens as permitted by regulation by the Department.

(i) “Priority funding area” has the meaning stated in § 5–7B–02 of the State Finance and Procurement Article.

(j) “Program” means the Workforce Housing Grant Program.

(k) "Qualifying local government" means a county or municipal corporation that qualifies for participation in the Program under § 4–1803 of this subtitle.

(l) "Workforce housing" means:

(1) rental housing that is affordable for a household with an aggregate annual income between 50% and 100% of the area median income; or

(2) homeownership housing that:

(i) except as provided in item (ii) of this item, is affordable to a household with an aggregate annual income between 60% and 120% of the area median income; or

(ii) in target areas that are recognized by the Secretary for purposes of administering the Maryland Mortgage Program, is affordable to a household with an aggregate annual income between 60% and 150% of the area median income.

§4–1802.

(a) There is a Workforce Housing Grant Program.

(b) The Program provides flexible funds to qualifying local governments for workforce housing programs, including programs that finance development costs.

(c) The Program shall be operated with money in the Fund.

§4–1803.

(a) A local government qualifies for participation in the Program if:

(1) the local government has:

(i) a 5–year consolidated plan approved by the United States Department of Housing and Urban Development; or

(ii) a comprehensive plan;

(2) the plans listed in item (1) of this subsection:

(i) have a workforce housing element;

(ii) assess workforce housing needs; and

(iii) contain goals, objectives, and policies to preserve or develop workforce housing; and

(3) the local government provides a statement to the Department indicating:

(i) a desire to participate in the Program; and

(ii) a reasonable expectation of the local government's ability to provide the matching funds required under § 4–1804 of this subtitle.

(b) The workforce housing element in the 5–year consolidated plan or the comprehensive plan of a qualifying local government may include:

(1) preservation and renovation of existing housing stock;

(2) redevelopment of existing residential areas;

(3) streamlined regulatory processes and reduced regulatory fees for construction or renovation;

(4) financial incentives for construction and renovation including local property tax credits;

(5) special zoning regulations for construction and renovation including inclusionary zoning;

(6) efforts to preserve workforce housing stock for subsequent first–time homebuyers and renters;

(7) coordination with neighboring jurisdictions;

(8) coordination with private sector employers; and

(9) leveraging of federal financial assistance.

§4–1804.

(a) A qualifying local government shall provide a dollar–for–dollar match for Program funds used to develop workforce housing units under this subtitle.

(b) In determining whether a local government has met the match requirement under subsection (a) of this section, the Department may consider the local government's:

(1) costs to administer a program under this subtitle; and

(2) financial commitments to other affordable or workforce housing initiatives.

§4–1805.

The Department shall proportionately distribute the annual appropriation of Program funds as follows:

(1) if a county is a qualifying local government, and no municipal corporation in the county is a qualifying local government, the Department shall distribute Program funds to the county based on the county's share of the State population;

(2) if a county is a qualifying local government, and a municipal corporation in the county is also a qualifying local government, the Department shall:

(i) determine the county's proportionate share of Program funds based on the county's share of the State population; and

(ii) from the amount of Program funds determined under item (i) of this item, distribute:

1. to each qualifying local government in the county that is a municipal corporation, an amount of Program funds based on the municipal corporation's share of the county population; and

2. to the county, the balance of the county's share of Program funds; or

(3) if a county is not a qualifying local government, but a municipal corporation in the county is a qualifying local government, the Department shall:

(i) determine the county's proportionate share of Program funds based on the county's share of the State population; and

(ii) distribute to each qualifying local government in the county that is a municipal corporation, a proportionate share of the amount of

Program funds determined under item (i) of this item based on the municipal corporation's share of the county's population.

§4–1806.

Before drawing down any Program funds, a qualifying local government shall:

(1) provide evidence satisfactory to the Department that the Program funds will be matched by the qualifying local government on a dollar-for-dollar basis; and

(2) meet other Program criteria adopted by the Secretary.

§4–1807.

The Department shall redistribute among qualifying local governments the Program funds that have not been drawn down by other local governments within a 2–year period.

§4–1808.

(a) A qualifying local government shall use Program funds for development costs associated with a workforce housing development located in a priority funding area in accordance with the 5–year consolidated plan or comprehensive plan of the qualifying local government.

(b) A qualifying local government may request that its program funds or match be expended by the Department through the Department's existing housing programs.

§4–1809.

With the consent of the Department, in appropriate circumstances, a qualifying local government may extend the income eligibility limits for a workforce housing unit developed with Program funds to include a household of low or moderate income.

§4–1810.

(a) The Secretary shall establish annually the maximum amount of Program funds that a qualifying local government may use to develop a workforce housing unit.

(b) The per unit maximum established by the Secretary shall take into account the regional average construction costs applicable to the qualifying local government for a comparable workforce housing unit.

§4–1811.

(a) Rental units developed under this subtitle shall remain affordable as workforce housing for a period of at least 25 years.

(b) If an original buyer of a homeownership workforce housing unit developed through the Program transfers title to the unit at any time, the original buyer shall pay to the Department 100% of the combined amount of Program funds and qualifying local government matching funds used to develop the unit.

(c) If an original buyer of a homeownership workforce housing unit developed through the Program transfers title to the unit:

(1) within 5 years of the date of purchase, the original buyer shall pay the lesser of 20% of the net proceeds of transfer to the Department or a 5% annual return on the Program funds provided for the unit;

(2) during the period that is more than 5 years but less than 15 years from the date of purchase, the original buyer shall pay to the Department the lesser of a percentage of the net proceeds of transfer that begins at 20% and declines by 2% for each subsequent year of ownership or a 5% annual return on the Program funds provided for the unit; and

(3) during the period that is 15 years or more from the date of purchase, the original buyer is not required to pay any portion of the net proceeds of transfer to the Department.

(d) The Department shall distribute to the qualifying local government:

(1) of the funds paid by the original buyer to the Department under subsection (b) of this section, an amount equal to the matching funds provided by the qualifying local government for the homeownership workforce housing unit; and

(2) of the funds paid by the original buyer to the Department under subsection (c) of this section, a proportionate share based on the amount of matching funds provided by the qualifying local government for the homeownership workforce housing unit.

(e) The Department and the qualifying local governments shall use the funds received under this section to develop workforce housing under the Program.

(f) The contract of sale to the original buyer shall disclose all the requirements for repayment to the Department under this section in the event of a transfer of title, including the combined amount of Program funds and qualifying local government matching funds.

(g) (1) The amounts owed to the Department in the event of a transfer of title of a homeownership workforce housing unit under this section shall be secured by a recorded lien on the homeownership workforce housing unit.

(2) The lien created under this subsection may be a subordinate lien.

(3) The Department may charge a fee for servicing a lien created under this subsection.

§4–1812.

A qualifying local government shall report annually to the Department on or before January 1 of each year on the use of Program funds.

§4–1813.

The Secretary shall adopt regulations to carry out the purposes of the Program.

§4–1901.

There is a Disaster Relief Housing Program within the Department of Housing and Community Development.

§4–1902.

(a) The purpose of the Program is to provide financial assistance in an area covered by a state of emergency declared under § 14–107 of the Public Safety Article or in a federally declared disaster area to rehabilitate or replace a primary residence to:

(1) a family whose primary residence was damaged or destroyed by the disaster; and

(2) a nonprofit entity that assists a family in rehabilitating and replacing a primary residence destroyed by the disaster.

(b) The Department may continue to provide financial assistance under this subtitle after the expiration of a state of emergency declared under § 14–107 of the Public Safety Article.

§4–1903.

(a) The Department may provide financial assistance under the Program utilizing funds from:

(1) any fund or program under Division I of this article; or

(2) any other source of funds available to the Department.

(b) The Department may provide any type of financial assistance permitted by Division I of this article to recipients under the Program.

(c) In addition to the type of financial assistance allowed under subsection (b) of this section, the Department may provide financial assistance under a buy–down program that reduces the amount a borrower pays on a loan obtained from the private market or from the Department for a defined period of time.

§4–1904.

(a) (1) The Secretary shall adopt regulations, guidelines, and eligibility requirements for implementing the Program.

(2) The guidelines and eligibility requirements may be different for each disaster.

(b) The Secretary shall establish income limits for the Program in connection with each disaster.

(c) The eligibility requirements of any State fund or program from which funds are utilized for providing financial assistance, including maximum income limits, may not apply to financial assistance provided to recipients under the Program.

(d) Repayments of financial assistance under the Program shall be paid to the source of funds that was used to provide the financial assistance.

§4–1905.

(a) The Department shall issue to the General Assembly, in accordance with § 2–1257 of the State Government Article:

(1) a preliminary report 6 months after the Program is initially activated for each disaster; and

(2) a final report on or before 18 months after the Program is initially activated for each disaster.

(b) The reports shall include:

(1) the amount and type of assistance provided;

(2) the counties in which the assistance was provided; and

(3) the names of any financial institutions that provided assistance under the Program.

§4–2001.

(a) In this subtitle the following words have the meanings indicated.

(b) "Fund" means the Energy–Efficient Homes Construction Fund.

(c) "Low–energy home" means a home that achieves a Home Energy Rating System (HERS) Index rating:

(1) of 50 or lower; or

(2) as determined by the Department in regulations.

(d) "Net–zero home" means a home that is designed to produce an amount of energy in 1 year that is equal to the amount of energy that the home uses in 1 year.

(e) "Program" means the Energy–Efficient Homes Construction Loan Program.

§4–2002.

(a) There is an Energy–Efficient Homes Construction Loan Program.

(b) The purpose of the Program is to provide construction loans to persons to construct low–energy homes and net–zero homes.

(c) The Program shall be operated with money in the Fund.

§4–2003.

(a) The Department shall:

(1) administer the Program;

(2) attach to a Program loan the terms needed to carry out the Program;

(3) establish eligibility standards for Program loans;

(4) establish interest rates that may be as low as 0% or as high as is reasonable to make the project viable; and

(5) adopt regulations to carry out the Program, including regulations designed to increase participation of minority business enterprises in the Program.

(b) In setting the terms and interest rates for Program loans, the Department may:

(1) offer preferred interest rates and terms for loans used to finance net–zero homes; and

(2) establish different interest rates based on the projected energy efficiency of the home to be constructed.

(c) The Department may:

(1) contract for services related to the Program;

(2) contract with private mortgage servicers to perform on behalf of the Department functions the servicers ordinarily perform, including foreclosure and employment of counsel;

(3) charge a nonrefundable application fee and other customary loan fees;

(4) enter into agreements with lenders or other entities to provide credit enhancement or collectively lend money for the construction of net–zero and low–energy homes;

(5) purchase or commit to purchase from mortgage lenders notes or mortgages that meet the requirements of this subtitle, any regulations adopted under this subtitle, and appropriate Program directives;

(6) modify the interest rate, the time or amount of payment, or any other term of a Program loan to facilitate repayment of the Program loan and to achieve the purpose of the Program; and

(7) without approval or execution by the Board of Public Works:

(i) assign a mortgage for value;

(ii) release a mortgage;

(iii) foreclose a mortgage;

(iv) acquire property that secures a loan in default; and

(v) encumber, sell, or otherwise dispose of property acquired in connection with a loan in default.

(d) On or before January 1 each year, the Department shall submit a report to the General Assembly, in accordance with § 2–1257 of the State Government Article, on regulations adopted under subsection (a)(5) of this section to increase participation of minority businesses in the Program and the outcome of that effort.

§4–2004.

(a) Proceeds of a Program loan shall be used only for:

(1) property acquisition and development costs for the construction of a net–zero home or low–energy home; and

(2) settlement and closing costs.

(b) A Program loan shall be secured by a mortgage lien that:

(1) may be subordinate to other mortgage liens; and

(2) may include terms, including deferred payment of principal and interest, that the Department considers necessary to make the project viable.

(c) To apply for a loan under this subtitle, an applicant shall submit:

(1) a completed application in a form that the Department requires;

(2) information on projected energy usage, project design, and marketing data; and

(3) any other information or documentation that the Department considers necessary to make a determination on the loan.

(d) (1) The Department may give a preference to an application for:

(i) a net–zero home; or

(ii) a project that includes financing from other sources in addition to the Program loan.

(2) In providing assistance under the Program for a net–zero home, the Department shall give preference to applications that will use the services of small, minority, women–owned, and veteran–owned businesses in the State in the clean energy industry, particularly businesses that provide employment for individuals trained through workforce development programs supported by the Strategic Energy Investment Fund under § 5–1501 of the Economic Development Article and through the Clean Energy Workforce Account under § 11–708.1 of the Labor and Employment Article.

§4–2005.

(a) (1) A person may not knowingly make or cause to be made a false statement or report in a document required to be submitted to the Department under an agreement relating to a Program loan.

(2) A loan applicant may not knowingly make or cause to be made any false statement or report to influence an action of the Department on a Program loan application or a Program loan already made.

(b) A person who violates this section is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 5 years or a fine not exceeding $50,000 or both.

§4–2006.

(a) There is an Energy–Efficient Homes Construction Fund.

(b) The Department shall administer the Fund.

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

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

(d) The Fund consists of:

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

(2) repayments or prepayments of principal and payments of interest on loans made under the Energy–Efficient Homes Construction Loan Program;

(3) investment earnings of the Fund; and

(4) any other money from any other source accepted for the benefit of the Fund.

(e) The Department may use the Fund only to:

(1) pay expenses of the Program;

(2) provide credit enhancement under the Program; and

(3) make or purchase loans under the Program.

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

(2) Any investment earnings of the Fund shall be paid into the Fund.

§4–2101.

(a) In this subtitle the following words have the meanings indicated.

(b) "Continuum of Care" means a regional or local planning body that coordinates housing and services funding for homeless families and individuals.

(c) "Council" means the Interagency Council on Homelessness.

§4–2102.

There is an Interagency Council on Homelessness.

§4–2103.

(a) The Council consists of the following members:

(1) the Secretary of Aging, or the Secretary's designee;

(2) the Secretary of Budget and Management, or the Secretary's designee;

(3) the Secretary of Health, or the Secretary's designee;

(4) the Secretary, or the Secretary's designee;

(5) the Secretary of Human Services, or the Secretary's designee;

(6) the Secretary of Labor, or the Secretary's designee;

(7) the Secretary of Public Safety and Correctional Services, or the Secretary's designee;

(8) the State Superintendent of Schools, or the State Superintendent's designee;

(9) the Secretary of Transportation, or the Secretary's designee;

(10) the Secretary of Veterans and Military Families, or the Secretary's designee;

(11) the Secretary of Juvenile Services, or the Secretary's designee;

(12) the Secretary of Disabilities, or the Secretary's designee; and

(13) the following members, appointed by the Governor:

(i) one representative of the Governor's Office for Children;

(ii) three representatives of local Continuums of Care;

(iii) nine representatives from diverse geographical regions of the State engaged in homeless advocacy with a focus on housing, employment, and access to health care; and

(iv) one community representative who has personally experienced homelessness.

(b) The Governor may remove a member for incompetence or misconduct.

§4–2104.

(a) The Governor shall designate as chair of the Council a member who is a secretary or a secretary's designee with decision–making authority on issues that relate to the work of the Council.

(b) The term of the chair is 2 years.

(c) The chair may not serve consecutive terms.

§4–2105.

(a) A majority of the members then serving on the Council is a quorum.

(b) The Council shall determine the times and places of its meetings.

(c) A member of the Council:

(1) may not receive compensation as a member of the Council; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

§4–2106.

The Department shall provide staff for the Council.

§4–2107.

The Council shall:

(1) coordinate State policy and working relationships among State, local, and nonprofit agencies concerning efforts to remedy and prevent homelessness;

(2) coordinate data sharing between local Continuums of Care;

(3) coordinate outreach to each Continuum of Care to develop joint strategies that impact State and federal funding efforts to remedy and prevent homelessness;

(4) determine comprehensive and effective collaborative strategies and best practices for remediation and prevention of homelessness in the State, in particular addressing the differing needs of the State's geographic areas;

(5) review and analyze the need for and availability of affordable and accessible housing resources to address the needs of homeless individuals throughout the State;

(6) recommend changes necessary to alleviate or prevent homelessness, including making recommendations annually to the General Assembly, in accordance with § 2–1257 of the State Government Article, and appropriate State agencies and organizations regarding effective policies, effective distribution of resources, and access to available services and programs;

(7) identify supportive services for special populations, including veterans, youth, families, and individuals with behavioral health problems;

(8) disseminate information and educate the public about the prevalence and causes of and responses to homelessness;

(9) solicit input from the advocacy community, the business community, the faith community, and consumers regarding policy and program development; and

(10) determine best practices and models for providing emergency shelter and shelter diversion, including ensuring the health, safety, and security of shelter residents, providing client–centered and trauma–informed support services, and ensuring equal access to protected classes under applicable federal, State, and local civil rights laws.

§4–2108.

The Department shall adopt regulations to govern the development, implementation, and evaluation of policies and programs to make homelessness rare and, if it occurs, of brief duration.

§4–2201.

(a) In this subtitle the following words have the meanings indicated.

(b) "Client" means an individual or a family who is in need of housing and is not eligible for other available housing services.

(c) "Program" means the Crisis Shelter Home Program for the Homeless.

§4–2202.

The General Assembly finds and declares that:

(1) an increasing number of people in the State are homeless;

(2) homeless people have been ignored by State units;

(3) current State–operated programs do not adequately address the problem; and

(4) as a result, there is a lack of quality emergency public or private housing available for homeless people.

§4–2203.

(a) There is a Crisis Shelter Home Program for the Homeless in the Department.

(b) The purpose of the Program is to provide crisis shelter homes, meals, and counseling to clients.

(c) At least one crisis shelter home shall be located in a major population center of the State to facilitate the use of the shelter by clients living in the region surrounding the shelter.

§4–2204.

The Maryland Department of Health may not use a shelter home as part of its discharge service plan.

§4–2205.

(a) A shelter home:

(1) shall provide clients with a temporary residence and necessary counseling to link clients to appropriate community services to stabilize the clients' living conditions;

(2) shall accept, from the police and other referral sources in the community, clients for temporary shelter;

(3) shall conform to applicable State and local fire codes, health codes, and zoning ordinances; and

(4) is subject to the regulations adopted by the Department.

(b) The Department shall:

(1) establish standards of care and admission policies for shelter homes;

(2) monitor the operation of the shelter homes; and

(3) annually evaluate the effectiveness of the shelter homes.

(c) The Department may contract with private nonprofit organizations to operate the Program.

§4–2206.

Clients shall have cooperative responsibility for housekeeping duties in a shelter home.

§4–2207.

The Maryland Department of Health shall:

(1) give a client evaluated by a shelter home priority access, as appropriate, to an institution that the Maryland Department of Health supervises; and

(2) supply appropriate mental health services to the client.

§4–2208.

Housing may not be provided under this subtitle to an applicant for housing who is not a resident of the State at the time the application is made.

§4–2209.

Funds to operate the Program shall be as provided in the State budget.

§4–2301.

In this subtitle, “Program” means the Housing Navigator and Aftercare Program.

§4–2302.

There is a Housing Navigator and Aftercare Program in the Department.

§4–2303.

The purpose of the Program is to assist families and individuals who are experiencing, or who are in imminent danger of, a housing crisis in obtaining and maintaining permanent housing.

§4–2304.

A family may apply for Program services if the family is the recipient of or is in the process of applying for temporary cash assistance, as defined in § 5–301 of the Human Services Article.

§4–2305.

A housing navigator shall assist a family or an individual client with securing and maintaining permanent, affordable housing by:

(1) assisting the client with searching for and obtaining permanent, affordable housing;

(2) developing a comprehensive, current list of housing resources and expanding the list of housing resources to include new resources;

(3) establishing a working relationship with the client and advocating for the client with landlords, property managers, realty companies, and other sources of low–income housing;

(4) working with a client's case manager, when applicable, to coordinate services to the client;

(5) assisting the client, as needed, with issues that contribute to chronic housing problems, such as budgeting and household management; and

(6) performing other duties as assigned by the Department.

§4–2306.

(a) Program funds may be used for:

(1) salary and FICA for housing navigators and aftercare case managers;

(2) client–related expenses, including:

(i) first and final months' rent;

(ii) transportation for housing searches;

(iii) moving expenses;

(iv) essential furnishings;

(v) storage;

(vi) arrearages;

(vii) credit checks and housing application fees;

(viii) security deposits;

(ix) utility deposits; and

(x) other identified needs; and

(3) other items that the Department designates.

(b) A local administrative agency shall be designated by the Department or a local government to manage the Program in a particular subdivision, provide services, and provide funds for additional costs, including operating costs, related to the Program.

§4–2307.

Subject to the limitations of the State budget, beginning in fiscal year 2019 and for each fiscal year thereafter, the Governor shall include in the annual budget an appropriation for the Program of $516,828.

§4–2401.

(a) (1) In this subtitle the following words have the meanings indicated.

(2) "Feminine hygiene products" means tampons and sanitary napkins for use in connection with the menstrual cycle.

(3) "Local administering agency" means the agency designated by the Department or a local government to manage the programs for transitional housing

services, including the Homeless Women – Crisis Shelter Home Program, and to provide a service directly or by contract with a service provider.

(4) "Service provider" means a public or private nonprofit that contracts with the Department or a local administering agency to provide shelter services for homeless individuals.

(b) (1) The Department shall make available to:

(i) service providers and local administering agencies for service providers a supply of feminine hygiene products sufficient to meet the needs of female residents in shelters; and

(ii) county boards of education a supply of feminine hygiene products sufficient to meet the needs during the normal school year of female students who are determined to be homeless children or youth under the federal McKinney–Vento Homeless Assistance Act.

(2) The feminine hygiene products provided under paragraph (1) of this subsection shall be made available free to:

(i) service providers, local administering agencies for service providers, and female residents in shelters; and

(ii) county boards of education and qualifying female students in schools.

(c) Each county board of education, through school nurses, shall make available to female students who are determined to be homeless children or youth under the federal McKinney–Vento Homeless Assistance Act a free supply of feminine hygiene products, as provided under subsection (b) of this section.

§4–2501.

(a) In this subtitle the following words have the meanings indicated.

(b) "Opportunity zone" means an area that has been designated as a qualified opportunity zone in the State under § 1400Z–1 of the Internal Revenue Code.

(c) "Qualified workforce housing project" means a workforce housing project in an opportunity zone that meets requirements for eligibility for the State tax credit as specified in regulations that the Secretary adopts under § 4–2502 of this subtitle.

(d) “State tax credit” means the income tax credit allowed under § 10–749 of the Tax – General Article.

(e) “Workforce housing” has the meaning stated in § 4–1801 of this title.

§4–2502.

(a) The owner of a qualified workforce housing project or the developer of a proposed project that will become a qualified workforce housing project may apply to the Secretary for allocation to the project of a portion of the State tax credit.

(b) An application under this section shall be made in the form and manner and contain any information that the Secretary requires by regulation.

(c) (1) The Secretary may require that the owner of a qualified workforce housing project, as a condition to receiving an allocation of the State tax credit, enter into a written regulatory agreement with the Secretary under terms and conditions set by the Secretary, regarding the use of the project.

(2) The Secretary may require that any agreement required by the Secretary under this subsection be filed in the official land records of the county where the project is located.

(3) The Secretary and any local agency or authority designated by the Secretary may enforce an agreement required by the Secretary under this section in the event the owner fails to satisfy any of the requirements of the agreement.

(4) The Secretary may not require that the owner of a qualified workforce housing project, as a condition to receiving an allocation of the State tax credit, use the bonding authority of the State.

(d) The Secretary shall adopt:

(1) regulations or policies establishing criteria by which the State tax credit will be allocated among qualified workforce housing projects; and

(2) any other regulations necessary to administer the provisions of this subtitle.

(e) Any project that receives an allocation of a portion of the State tax credit shall be restricted in occupancy as specified in the regulations adopted by the Secretary under subsection (d) of this section for a period of at least 30 years beginning with the first taxable year in which a State tax credit is claimed by the owner.

§4–2503.

(a) (1) The maximum aggregate available State tax credit that may be allocated for each fiscal year equals the lesser of:

(i) the amount appropriated for the Qualified Workforce Housing Tax Credit Reserve Fund for that fiscal year in the State budget as approved by the General Assembly; or

(ii) $4,000,000.

(2) The Secretary may allocate the aggregate available State tax credit for a fiscal year among projects to be qualified workforce housing projects to be placed in service during or after that fiscal year.

(3) Any part of the aggregate available State tax credit for any fiscal year that is not allocated by the Secretary in that fiscal year may be carried over and allocated for any subsequent fiscal year.

(b) (1) In this subsection, "Reserve Fund" means the Qualified Workforce Housing Tax Credit Reserve Fund established under paragraph (2) of this subsection.

(2) (i) There is a Qualified Workforce Housing Tax Credit Reserve Fund.

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

(iii) The money in the Reserve Fund shall be invested and reinvested by the State Treasurer, and interest and earnings shall be credited to the General Fund of the State.

(3) (i) 1. Except as otherwise provided in this subparagraph, for any fiscal year, the Secretary may not allocate tax credits under this subtitle in the aggregate totaling more than the amount appropriated for the Reserve Fund for that fiscal year in the State budget as approved by the General Assembly.

2. If the aggregate credit amounts allocated in a fiscal year total less than the amount appropriated for the Reserve Fund for that fiscal year, any excess amount shall remain in the Reserve Fund and may be allocated for the next fiscal year.

3. For any fiscal year, if funds are transferred from the Reserve Fund under the authority of any provision of law other than paragraph (4) of this subsection, the maximum credit amounts in the aggregate that the Secretary may allocate shall be reduced by the amount transferred.

(ii) For each fiscal year, the Governor may include in the budget bill an appropriation for the Reserve Fund.

(iii) Notwithstanding the provisions of § 7–213 of the State Finance and Procurement Article, the Governor may not reduce an appropriation for the Reserve Fund in the State budget as approved by the General Assembly.

(4) (i) Except as provided in this paragraph, money appropriated for the Reserve Fund shall remain in the Reserve Fund.

(ii) 1. Within 15 days after the end of each calendar quarter, as to each qualified workforce housing project for which a final credit certificate was issued during the quarter, the Department shall notify the Comptroller of:

A. the maximum credit amount initially allocated to the project; and

B. the final certified credit amount for the project.

2. On notification that the final credit for a project has been certified, the Comptroller shall transfer an amount equal to the credit amount initially allocated to the project from the Reserve Fund to the General Fund of the State.

§4–2504.

(a) On or before the last day of the taxable year in which a qualified workforce housing project that has been allocated a part of the State tax credit under this subtitle is placed in service, the owner shall:

(1) notify the Secretary that the project has been placed in service; and

(2) certify that the project is a qualified workforce housing project eligible for the State tax credit.

(b) Within 15 days after notification that a project has been placed in service, the Secretary shall issue to the owner a final credit certificate for the project stating the final credit amount for the project, not to exceed the credit amount initially allocated to the project.

(c) The Secretary shall:

(1) determine whether any event has occurred in violation of this subtitle or regulations adopted under this subtitle that makes the project ineligible for the State tax credit or otherwise triggers the recapture of any State tax credit as provided under § 10–749 of the Tax – General Article; and

(2) promptly notify the Comptroller of the occurrence of the event.

§4–2505.

On or before December 31 each year, the Secretary shall report, in accordance with § 2–1257 of the State Government Article, to the General Assembly:

(1) the number of qualified workforce housing projects that received a tax credit allocation during the year;

(2) the number of housing units supported by each qualified workforce housing project that received a tax credit allocation during the year;

(3) a description of each qualified workforce housing project that includes:

(i) the geographic location of the project;

(ii) demographic information on and income levels of the residents intended to be served by the project; and

(iii) the rent that is authorized to be charged for a unit in the project; and

(4) housing market and demographic information that demonstrates how each qualified workforce housing project is addressing the need for workforce housing within the communities that the project is intended to serve.

§4–2601.

In this subtitle, "Program" means the Local Housing Grant Program for Homeless Veterans and Survivors of Domestic Violence.

§4–2602.

(a) There is a Local Housing Grant Program for Homeless Veterans and Survivors of Domestic Violence.

(b) The purpose of the Program is to provide grants for housing voucher funds to counties for use to house homeless veterans and survivors of domestic violence.

§4–2603.

The Department shall:

(1) distribute grants to counties that may apply under the Program for rapid or permanent housing voucher funds for homeless veterans and survivors of domestic violence;

(2) establish procedures for receiving and evaluating grant applications from counties under the Program;

(3) monitor the operation of the grants; and

(4) adopt regulations to carry out this subtitle.

§4–2604.

(a) For fiscal year 2020 and each fiscal year thereafter, the Governor may include funding in the annual budget for the Program.

(b) Money expended from the Program is supplemental to and is not intended to take the place of funding that otherwise would be appropriated by the Department to address homelessness.

§4–2605.

The Department may establish preferences under the Program for counties that:

(1) enact an ordinance that prohibits discrimination in housing on the basis of source of income;

(2) adopt a Housing First policy, as defined by the Department; or

(3) provide an additional 25% county dedicated funding or voucher match.

§4–2701.

(a) In this subtitle the following words have the meanings indicated.

(b) (1) "Service provider" means a public or private nonprofit organization that provides shelter and supportive services to unaccompanied minors in need of shelter.

(2) "Service provider" includes a host home program.

(c) "Supportive services" means interventions, services, or resources necessary to assist unaccompanied minors in need of shelter in acquiring or maintaining:

(1) stable housing;

(2) permanent connections, including ongoing attachments to families, communities, schools, and other positive social networks;

(3) education and employment, including high performance in completion of education and training activities, especially for younger youth, and starting and maintaining adequate and stable employment, particularly for older youth; or

(4) social and emotional well–being, including the development of key competencies, attitudes, and behaviors that equip a young person to succeed across multiple domains of daily life, including school, work, relationships, and community.

(d) "Unaccompanied minor in need of shelter" means a minor:

(1) who is not in the physical custody of a parent or legal guardian; and

(2) (i) who lacks a fixed, regular, and adequate nighttime residence as defined in the McKinney–Vento Homeless Assistance Act; or

(ii) whose status or circumstances indicate a significant danger of experiencing homelessness in the near future.

§4–2702.

(a) An unaccompanied minor in need of shelter may consent to shelter and supportive services if the service provider reasonably believes that:

(1) the unaccompanied minor understands the significant benefits, responsibilities, risks, and limits of the shelter and services and can communicate an informed consent;

(2) the unaccompanied minor understands the requirements and rules of the shelter and services; and

(3) the shelter and services are necessary to ensure the unaccompanied minor's safety and well–being.

(b) An unaccompanied minor in need of shelter who is a parent may consent to shelter and supportive services for the minor's child.

§4–2703.

(a) (1) Before providing shelter and supportive services to an unaccompanied minor in need of shelter, a service provider shall:

(i) register with the Department;

(ii) develop and implement a procedure to screen each staff member who works with minors, including through a State and national criminal history records check or a private agency background check conducted in accordance with § 4–2708 of this subtitle; and

(iii) obtain written consent from the unaccompanied minor in need of shelter.

(2) The written consent from the unaccompanied minor in need of shelter shall state the minor's:

(i) age;

(ii) guardianship status, if known; and

(iii) living situation.

(b) A service provider may not provide shelter to a minor if the service provider has knowledge that the minor:

(1) knowingly provided false information in the written consent required under subsection (a) of this section; or

(2) does not meet the definition of an unaccompanied minor in need of shelter under this subtitle.

§4–2704.

(a) After providing shelter to an unaccompanied minor in need of shelter, a service provider shall:

(1) (i) as soon as possible and within 72 hours, contact a parent, a guardian, or an adult relative of the minor; or

(ii) if the service provider suspects abuse or neglect by the parent, guardian, or adult relative of the minor, immediately notify the appropriate authorities of the suspected abuse or neglect in accordance with § 5–704 of the Family Law Article; and

(2) if the service provider suspects any abuse or neglect of the unaccompanied minor in need of shelter, immediately notify the appropriate authorities of the suspected abuse or neglect in accordance with § 5–704 of the Family Law Article.

(b) (1) If a service provider is unable to contact, and does not suspect abuse by, a parent, a guardian, or an adult relative of an unaccompanied minor in need of shelter, the service provider shall:

(i) notify the minor of the requirements of this section; and

(ii) after providing the notice required under item (i) of this paragraph, contact the National Center for Missing and Exploited Children to determine if the minor has been reported missing by a legal guardian.

(2) If a service provider receives information indicating that an unaccompanied minor in need of shelter is missing from foster care, the service provider shall contact the local department of social services.

(3) If a service provider receives information indicating that an unaccompanied minor in need of shelter has been reported missing by a legal guardian other than the local department of social services, the service provider shall contact local law enforcement.

(c) A service provider shall document efforts and communications made under subsection (b) of this section.

§4–2705.

A service provider that provides shelter and supportive services to an unaccompanied minor in need of shelter in accordance with this subtitle is not civilly or criminally liable or subject to a disciplinary penalty based solely on the provider's reasonable determination to provide the shelter and supportive services.

§4–2706.

The Department shall establish and maintain a registry of all service providers that register under § 4–2703 of this subtitle to provide shelter and supportive services to unaccompanied minors in need of shelter.

§4–2707.

(a) The Department shall adopt regulations to carry out this subtitle.

(b) The regulations shall include:

(1) a prohibition against a service provider knowingly hiring or retaining an individual who has been convicted of a crime involving:

(i) an offense under § 3–307 or § 3–308 of the Criminal Law Article or an offense under the laws of another state that would constitute a violation of § 3–307 or § 3–308 of the Criminal Law Article if committed in the State;

(ii) child abuse under § 3–601 of the Criminal Law Article or an offense under the laws of another state that would constitute child abuse under § 3–601 of the Criminal Law Article if committed in the State;

(iii) child sexual abuse under § 3–602 of the Criminal Law Article or an offense under the laws of another state that would constitute child sexual abuse under § 3–602 of the Criminal Law Article if committed in the State;

(iv) child neglect under § 3–602.1 of the Criminal Law Article or an offense under the laws of another state that would constitute neglect under § 3–602.1 of the Criminal Law Article if committed in the State; or

(v) a crime of violence as defined in § 14–101 of the Criminal Law Article or an offense under the laws of another state that would be a violation of § 14–101 of the Criminal Law Article if committed in the State; and

(2) a requirement that each service provider provide training for each staff member who serves minors regarding mandatory reporting of suspected abuse or neglect in accordance with § 4–2704 of this subtitle and § 5–704 of the Family Law Article.

§4–2708.

(a) In this section, "Central Repository" means the Criminal Justice Information System Central Repository of the Department of Public Safety and Correctional Services.

(b) For each staff member who works with unaccompanied minors, a service provider shall:

(1) apply to the Central Repository for a State and national criminal history records check; or

(2) request a private agency to conduct a background check.

(c) (1) As part of an application to the Central Repository for a State and national criminal history records check, the service provider shall submit to the Central Repository:

(i) one complete set of legible fingerprints of the staff member taken in a format approved by the Director of the Central Repository and the Director of the Federal Bureau of Investigation;

(ii) the fee authorized under § 10–221(b)(7) of the Criminal Procedure Article for access to State criminal history records; and

(iii) the mandatory processing fee required by the Federal Bureau of Investigation for a national criminal history records check.

(2) In accordance with Title 10, Subtitle 2 of the Criminal Procedure Article, the Central Repository shall forward to the service provider and the staff member the criminal history record information of the staff member.

(3) Information obtained from the Central Repository under this subsection:

(i) is confidential and may not be redisseminated; and

(ii) may be used only for the screening purposes authorized by this subtitle.

(4) A person who is the subject of a criminal history records check under this subsection may contest the contents of the printed statement issued by the Central Repository as provided in §10–223 of the Criminal Procedure Article.

(d) If a service provider requests a private agency to conduct a background check:

(1) the private agency shall:

(i) conduct a background check in each state where the service provider knows or has reason to believe the staff member worked or resided during the past 7 years; and

(ii) issue a statement of the private agency's findings to:

1. on request, the staff member; and

2. the service provider; and

(2) the staff member shall have an opportunity to contest the findings of the private agency.

§4–2801.

(a) In this subtitle the following words have the meanings indicated.

(b) "Affordable" means that monthly housing costs are affordable to a family of limited income as determined under § 4–212 of this title.

(c) "Appraisal gap" means the amount by which the total cost of eligible construction expenses exceeds the contract sales price of a qualified property when it is initially sold to an owner–occupant.

(d) (1) "Eligible construction expenses" means any amount that is expended on the construction or substantial rehabilitation of a qualified property.

(2) "Eligible construction expenses" includes any amount expended on:

(i) acquisition costs;

(ii) roof repair and replacement;

(iii) chimney repair and lining;

(iv) internal and external doors;

(v) windows;

(vi) masonry;

(vii) floor joists;

(viii) finished flooring;

(ix) framing;

(x) structural repairs;

(xi) foundation repairs;

(xii) plumbing, electrical, and mechanical systems;

(xiii) architectural and engineering consulting fees;

(xiv) tools and equipment rental;

(xv) new construction;

(xvi) infrastructure; and

(xvii) other expenses as determined by the Secretary.

(e) "Financial assistance" includes:

(1) a grant;

(2) a loan;

(3) a reduction in the principal obligation of or rate of interest payable on a loan or portion of a loan;

(4) a prepayment of interest on a subordinate or superior loan or portion of a loan;

(5) an assurance;

(6) a guarantee; and

(7) any other form of credit enhancement.

(f) "Fund" means the Appraisal Gap From Historic Redlining Financial Assistance Fund established under this subtitle.

(g) "Qualified project" means the construction or substantial rehabilitation of a qualified property if the eligible construction expenses do not exceed $500,000.

(h) "Qualified property" means residential real property that is:

(1) newly constructed or a formerly vacant structure that has been substantially rehabilitated;

(2) located in:

(i) a low–income census tract as defined by the U.S. Department of Housing and Urban Development; and

(ii) an area designated as a sustainable community; and

(3) constructed or rehabilitated with the purpose of being sold to an owner–occupant at an affordable sales price.

(i) "Sustainable community" means an area designated as a sustainable community under § 6–205 of this article.

§4–2802.

(a) There is an Appraisal Gap From Historic Redlining Financial Assistance Program in the Department.

(b) The purpose of the Program is to help close appraisal gaps that occur in historically redlined neighborhoods by making financial assistance available to:

(1) affordable housing developers working in low–income census tracts and sustainable communities; and

(2) individuals who purchase a qualified property:

(i) after a qualified project is completed;

(ii) at an affordable sales price as determined by regulations adopted by the Department; and

(iii) as an owner–occupant.

§4–2803.

(a) In the fiscal year in which a qualified project is proposed, an individual or business entity may apply to the Department for financial assistance to cover the appraisal gap for the project in accordance with this section.

(b) The Department shall develop by regulation an application form and a process for the distribution of financial assistance under this section.

(c) Financial assistance provided under this section may be allocated among the partners, members, or shareholders of a business entity in any manner agreed to by those persons in writing.

(d) Financial assistance provided under this section may be used in conjunction with other State, federal, or local funding sources.

(e) A qualified project receiving financial assistance under this section shall be in compliance with local development and land use plans.

§4–2804.

(a) Subject to § 4–2805 of this subtitle and the regulations of the Department, the Department shall accept an application for financial assistance from:

(1) an individual or business entity that proposes to develop a qualified project; and

(2) an individual that proposes to purchase a qualified property.

(b) The application shall be in the form and shall contain any information that the Department requires by regulation.

(c) The Department shall approve all applications that qualify for financial assistance under this subtitle in a timely manner.

§4–2805.

(a) There is an Appraisal Gap From Historic Redlining Financial Assistance Fund.

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

(2) The money in the Fund shall be invested and reinvested by the State Treasurer, and interest and earnings shall be credited to the General Fund of the State.

(c) (1) (i) Except as otherwise provided in this paragraph, for any fiscal year, the Department may not provide financial assistance under this subtitle in the aggregate totaling more than the amount appropriated for the Fund for that fiscal year in the State budget as approved by the General Assembly.

(ii) If the aggregate financial assistance amounts provided in a fiscal year total less than the amount appropriated for the Fund for that fiscal year, any excess amount shall remain in the Fund and may be allocated for the next fiscal year.

(iii) For any fiscal year, if funds are transferred from the Fund under the authority of any provision of law other than subsection (d) of this section, the maximum financial assistance amounts in the aggregate that the Department may provide shall be reduced by the amount transferred.

(2) Notwithstanding the provisions of § 7–213 of the State Finance and Procurement Article, the Governor may not reduce an appropriation for the Fund in the State budget as approved by the General Assembly.

(d) Money in the Fund may be used only for the purpose of providing financial assistance in accordance with this subtitle.

(e) On or before January 1 each year, each county shall submit a report to the Department that details the targeted areas for homeownership that would qualify for financial assistance provided under this subtitle.

(f) On or before March 1 each year, the Department shall submit a report, in accordance with § 2–1257 of the State Government Article, to the Senate Budget and Taxation Committee, the House Appropriations Committee, and the House Committee on Ways and Means on the number of funds deployed to census tracts with a majority racial minority population.

§4–2806.

The Department shall adopt:

(1) regulations to specify criteria for the application for and approval of the financial assistance under this subtitle; and

(2) any other regulations necessary to carry out the provisions of this subtitle.

§4–2901.

(a) In this subtitle the following words have the meanings indicated.

(b) "Disability" means a physical or mental impairment that substantially limits a major life activity.

(c) "Elderly" means an individual that is at least 62 years old.

(d) (1) "Family" means an individual or group of individuals eligible for assistance under the State Program.

(2) "Family" includes a preference category established under § 4–2906 of this subtitle.

(e) "Housing assistance payment" means the monthly assistance payment paid for a family under the State Program.

(f) "Housing Choice Voucher Program" means the program established under 24 C.F.R. Part 982.

(g) "Live–in aide" means an individual that:

(1) meets the requirements under 24 C.F.R. § 5.403; and

(2) resides with an elderly or disabled individual who receives assistance under the State Program.

(h) "Payment standard" means the maximum monthly housing assistance payment for a family assisted under the State Program.

(i) (1) "Public housing agency" means an entity authorized by the U.S. Department of Housing and Urban Development to administer the federal Housing Choice Voucher Program in the State.

(2) "Public housing agency" does not include the Department.

(j) “State Program” means the Statewide Rental Assistance Voucher Program established under this subtitle.

(k) “Voucher” means a document issued by the Department or a public housing agency to a family that is selected to receive assistance under the State Program, which describes the State Program and procedures under the State Program.

(i) “Public housing agency” means an entity authorized by the U.S. Department of Housing and Urban Development to administer the federal Housing Choice Voucher Program in the State.

§4–2902.

There is a Statewide Rental Assistance Voucher Program in the Department.

§4–2903.

The purpose of the State Program is to provide vouchers and housing assistance payments for low–income families that are currently on a waiting list under the federal Housing Choice Voucher Program for housing in units approved by the Department or a public housing agency, in accordance with guidelines under the federal Housing Choice Voucher Program.

§4–2904.

(a) (1) In political subdivisions without a local administrator under the federal Housing Choice Voucher Program, the Department shall administer the State Program and issue vouchers and housing assistance payments to assist low–income households that are eligible for but are not currently receiving housing choice vouchers under the federal Housing Choice Voucher Program.

(2) In political subdivisions with a public housing agency–administrator under the federal Housing Choice Voucher Program, the public housing agency:

(i) shall administer the State Program and issue vouchers and housing assistance payments to assist low–income households that are eligible for but are not currently receiving housing choice vouchers under the federal Housing Choice Voucher Program; and

(ii) may, subject to subsection (b) of this section, administer the State Program in accordance with the local administrative plan of the public housing agency.

(3) The Department may project–base up to 100% of its authorized voucher units if necessary to administer the State Program, including in political subdivisions without a local administrator under the federal Housing Choice Voucher Program.

(b) Except as otherwise provided in this subtitle, the State Program shall be administered in accordance with federal guidelines under the federal Housing Choice Voucher Program.

§4–2905.

To be eligible for a housing assistance payment under the State Program, a family shall:

(1) reside in the State;

(2) be on a federal housing choice voucher waiting list; and

(3) meet low–income eligibility limits under the federal Housing Choice Voucher Program or income requirements as determined by the public housing agency.

§4–2906.

Each public housing agency shall prioritize vouchers and housing assistance payments for families that include:

(1) a child who is under the age of 18 years;

(2) a foster child who is:

(i) at least 18 years old; but

(ii) under the age of 24 years;

(3) a veteran;

(4) an individual experiencing homelessness;

(5) a disabled individual; or

(6) an elderly individual.

§4–2907.

When an offer of assistance is made, a family has 30 days to provide documentation to verify their income with the Department or the public housing agency.

§4–2908.

(a) The Department or a public housing agency shall calculate payment standards and housing assistance payments under the State Program in accordance with guidelines for the federal Housing Choice Voucher Program.

(b) A family assisted under the State Program shall be expected to pay not more than 30% of its monthly adjusted gross income for rent and utilities, as determined by the public housing agency at the time the family initially receives assistance under the State Program, except as otherwise provided in the federal Housing Choice Voucher Program.

§4–2909.

Housing assistance payments for a family shall continue for up to 5 years or until a federal housing choice voucher under the federal Housing Choice Voucher Program becomes available, whichever occurs first.

§4–2910.

(a) A family may request that the Department or a public housing agency approve a live–in aide to provide necessary supportive services for a family member who is a person with a disability.

(b) The Department or a public housing agency shall reasonably modify its policies, procedures, and rules to allow a family that includes a person with a disability to have a live–in aide.

(c) The Department or a public housing agency may not include a live–in aide's income when determining a family's income eligibility under the State Program.

§4–2911.

(a) (1) A public housing agency shall conduct an initial inspection and periodic inspections thereafter of each unit rented using housing assistance payments to ensure the continued compliance with federal housing quality standards under 24 C.F.R. § 982.401 or 24 C.F.R. § 5.703, as applicable.

(2) Inspections shall occur on or before the initial lease date and at least biennially thereafter in accordance with the public housing agency's administrative plan.

(b) For a unit located in a building with 3 to 49 units, the property owner shall provide the public housing agency with a certificate of occupancy that has been completed within 1 year.

(c) For a unit located in a building with 50 units or more, the property owner shall provide the public housing agency with an inspection certificate.

§4–2912.

The Department shall ensure that subsidy standards for unit selection comply with federal guidelines under the Housing Choice Voucher Program, including the mandate to provide for the smallest number of bedrooms needed to house a family without overcrowding.

§4–2913.

(a) (1) The Department or a public housing agency may deny assistance under the State Program by:

(i) denying a voucher under the State Program;

(ii) withdrawing a State Program voucher;

(iii) refusing to enter into a contract for housing assistance payments; or

(iv) refusing to approve a lease under the State Program.

(2) The Department or a public housing agency shall deny assistance under the State Program to sex offenders who are subject to a lifetime registration requirement under a State sex offender registration program.

(3) The Department or a public housing agency may deny assistance under the State Program if the Department or a public housing agency finds that any

individual residing in a unit rented using assistance from the State Program has been convicted of:

(i) a drug–related crime under State law; or

(ii) a violent crime.

(4) If the Department or public housing agency denies assistance under the State Program, the Department or the public housing agency shall promptly provide the applicant with a notice explaining the denial and indicating that the applicant may request an informal review.

(b) (1) The Department or a public housing agency may terminate assistance under the State Program by:

(i) refusing to enter into a State Program contract;

(ii) refusing to approve a lease under the State Program; or

(iii) terminating housing assistance payments under a State Program contract.

(2) The Department or a public agency shall terminate assistance under the State Program for:

(i) families who were evicted under the State program for serious violations of the lease;

(ii) families who fail to sign any forms from the Department or a public housing agency indicating consent to obtain information; and

(iii) sex offenders subject to a lifetime registration requirement under a State sex offender registration program.

(c) When determining the denial or termination of assistance under the State Program, the Department may consider all relevant circumstances, including the seriousness of the case, the extent of participation or culpability of individual family members, mitigating circumstances related to the disability of a family member, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure if a family member:

(1) violates any obligations under the State Program;

(2) has been evicted from federally assisted housing for violent criminal activity that threatened the health, safety, or welfare of other residents within the preceding 3 years;

(3) has committed fraud, bribery, or any other corrupt or criminal act in connection with the State Program;

(4) owes a financial obligation to the Department or public housing agency in connection with another housing or rental assistance program;

(5) breaches a repayment agreement to pay amounts owed to the Department or public housing agency;

(6) has engaged in or threatened abusive or violent behavior toward Department or public housing agency employees, the property owner or property management staff, or other residents; or

(7) receives assistance under the State Program and is absent from the unit for more than 180 consecutive days.

(d) (1) The Department or a public housing agency may prohibit other family members who participated in or were culpable for actions specified under this section from residing in a unit rented using assistance from the State Program.

(2) In making the determination under paragraph (1) of this subsection, the Department or a public housing agency may consider:

(i) the seriousness of the case;

(ii) the extent of participation by or culpability of individual family members;

(iii) mitigating circumstances related to the disability of a family member; and

(iv) the effects of the prohibition on other family members who were not involved in the action or failure.

§4–2914.

(a) A family that receives a voucher under the State Program shall:

(1) supply any information to the Department or the public housing agency necessary for the administration of the State Program;

(2) notify the Department or the public housing agency before vacating the unit;

(3) use the unit only as a principal place of residence; and

(4) maintain all utilities that are not paid through the housing assistance payment.

(b) A family that receives a voucher under the State Program may not:

(1) own the unit that the assistance is provided for;

(2) commit fraud in connection with the State Program;

(3) sublease or assign the lease or transfer the unit; or

(4) allow anyone not on the unit lease to reside in the unit.

§4–2915.

The Department or a public housing agency shall give each family that receives assistance under the State Program a written description of:

(1) the family's obligations under the State Program;

(2) the grounds on which the Department or the public housing agency may deny or terminate assistance under the State Program; and

(3) the process to request an informal hearing.

§4–2916.

The Department or a public housing agency shall recertify a family for continued admission under the State Program, in accordance with federal guidelines under the federal Housing Choice Voucher Program.

§4–2917.

If the head of household who was receiving assistance under the State Program dies, a surviving family member may continue to receive the assistance if the household is solely occupied by remaining family members in accordance with this subtitle.

§4–2918.

Any guidelines on the termination of assistance or on evictions established by the Department or a public housing agency under this subtitle shall be at least as protective of tenants' rights as guidelines established under the federal Housing Choice Voucher Program.

§4–2919.

(a) (1) For fiscal years 2025, 2026, and 2027, the Governor shall include in the annual budget bill an appropriation of $10,000,000 to the Department for the State Program.

(2) For fiscal year 2028 and each fiscal year thereafter, the Governor shall include in the annual budget bill an appropriation sufficient to fund at least the same number of vouchers issued in the prior fiscal year.

(b) The Department shall distribute the greater of the federal de minimis rate of the public housing agency's modified total direct costs as established in 2 C.F.R. § 200.414(f) or 15% of the amount specified under subsection (a) of this section each year to each public housing agency to help defray staffing expenses related to the administration of the federal Housing Choice Voucher Program and the State Program.

(c) The Department shall develop a formula for distributing State Program funds to each public housing agency.

§4–2920.

On or before December 30, 2024, and each year thereafter, the Department and each political subdivision that has a public housing agency shall report to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly on:

(1) the number of families receiving assistance under the State Program;

(2) compliance with income eligibility requirements under the federal Housing Choice Voucher Program;

(3) the total amount of funds received;

(4) the number of households terminated from the State Program;

(5) the incomes of families receiving assistance under the State Program;

(6) the geographic locations where families receiving assistance under the State Program have been housed;

(7) the race and gender of individuals in families receiving assistance under the State Program;

(8) the household size for families receiving assistance under the State Program;

(9) the number of families receiving assistance under the State Program, based on the preferences listed in § 4–2906 of this subtitle;

(10) the length of time that each family has received assistance under the State Program;

(11) the average length of time from application into the State Program and receipt of housing assistance payments;

(12) any referrals made for families under the State Program for wraparound services, including job training;

(13) any resources used to advertise the State Program;

(14) the disability status of households served; and

(15) the number of households in which State Program assistance ended without the households having received federal housing choice vouchers.

§4–2921.

The Department may adopt regulations to implement this subtitle.

§4–3001. IN EFFECT

// EFFECTIVE UNTIL JUNE 30, 2029 PER CHAPTER 212 OF 2024 //

(a) In this subtitle the following words have the meanings indicated.

(b) "Authority" has the meaning stated in § 12–101 of this article.

(c) "Fund" means the Housing Innovation Fund.

(d) "Housing innovation project" means a project to provide mixed–income, cross–subsidized housing that qualifies under § 4–3003 of this subtitle.

(e) "Program" means the Housing Innovation Pilot Program.

(f) "Public ownership" means that the authority of the political subdivision of the state in which the project is located possesses majority ownership or control.

§4–3002. IN EFFECT

// EFFECTIVE UNTIL JUNE 30, 2029 PER CHAPTER 212 OF 2024 //

(a) There is a Housing Innovation Pilot Program.

(b) The purposes of the Program are:

(1) to create opportunities for the State's public housing authorities and county governments to increase the volume of housing production; and

(2) to reward counties pursuing innovative solutions to the problem of housing scarcity.

(c) The Program shall be operated with money in the Fund.

§4–3003. IN EFFECT

// EFFECTIVE UNTIL JUNE 30, 2029 PER CHAPTER 212 OF 2024 //

(a) A project qualifies as a housing innovation project if it provides new housing in which:

(1) at least 20% of the units are set aside for households with a gross annual income of not more than 50% of the area median income for a household of like size; or

(2) at least 40% of the units are set aside for households with a gross annual income of not more than 60% of the area median income for a household of like size.

(b) The Department shall prioritize funding for projects that best meet the following guidelines:

(1) the project does not use low–income housing tax credit equity or tax–exempt volume cap;

(2) the affordable set–asides required under subsection (a) of this section remain restricted at elected levels for at least 99 years;

(3) the project remains in public ownership; and

(4) the project includes a commitment to prevailing wage requirements.

§4–3004. IN EFFECT

// EFFECTIVE UNTIL JUNE 30, 2029 PER CHAPTER 212 OF 2024 //

(a) The Department shall:

(1) coordinate with local housing authorities and county governments to ensure access to other financial resources, including senior debt products;

(2) develop new resources in support of statewide housing production;

(3) solicit applicants for the Program; and

(4) subject to subsection (b) of this section, select three projects to receive assistance from the Program each in a different jurisdiction.

(b) The Department may select fewer than three projects to fund if there is an insufficient number of eligible applicants.

§4–3005. IN EFFECT

// EFFECTIVE UNTIL JUNE 30, 2029 PER CHAPTER 212 OF 2024 //

(a) (1) In administering the Program, the Department shall take into consideration the need for increased development capacity within local housing authorities.

(2) The Department may not condition the award of funding from the Program on the issuance of bonds by the Department.

(b) (1) For each of fiscal years 2026 through 2029, the Governor may include in the annual operating or capital budget bill an appropriation of $5,000,000 to the Fund.

(2) An appropriation under paragraph (1) of this subsection may be allocated using funding for rental housing projects administered in accordance with Subtitle 4 of this title.

§5–101.

(a) In this title the following words have the meanings indicated.

(b) "Director" means the Director of the Office of Tenant and Landlord Affairs.

(c) "Office" means the Office of Tenant and Landlord Affairs.

(d) (1) "Tenant" means a residential tenant.

(2) "Tenant" includes:

(i) a subtenant;

(ii) a lessee;

(iii) a sublessee; and

(iv) any other individual, other than an owner, who is entitled to the possession or occupancy, or the benefits of possession or occupancy, of any residential rental unit in the State.

§5–102.

(a) There is an Office of Tenant and Landlord Affairs in the Department.

(b) The purpose of the Office is to:

(1) ensure that tenants have access to educational resources to aid in understanding and exercising the tenants' rights under State law;

(2) provide tenants with information on how to report a violation of their legal rights as tenants and facilitate referrals of reported violations to appropriate enforcement agencies;

(3) provide tenants with information on how to obtain financial counseling; and

(4) notify appropriate authorities regarding housing discrimination and other unfair or illegal housing practices.

§5–103.

(a) The Secretary shall appoint the Director of the Office.

(b) The Director:

(1) serves at the pleasure of the Secretary; and

(2) reports to the Secretary.

§5–104.

(a) The Office shall:

(1) develop resources to aid tenants in understanding and exercising the legal rights of tenants, including:

(i) a Maryland Tenants' Bill of Rights, summarizing the existing rights and remedies available to residential tenants under State and federal law; and

(ii) a publicly accessible website to provide access to the Maryland Tenants' Bill of Rights and other relevant informational resources;

(2) establish points of contact within the Office by which a tenant may report a violation by a landlord or a person acting on behalf of a landlord for referral to appropriate enforcement agencies;

(3) provide resources to facilitate access by tenants to credit counseling;

(4) refer covered individuals, as defined in § 8–901 of the Real Property Article, to the Access to Counsel in Evictions Program that is administered by the Maryland Legal Services Corporation;

(5) collaborate with county and local governments that provide tenant advocacy and assistance;

(6) receive notices and other documents related to a tenant's exclusive negotiation period and right of first refusal under § 8–119 of the Real Property Article; and

(7) adopt regulations governing the content and delivery of notices for a tenant's exclusive negotiation period and right of first refusal under § 8–119 of the Real Property Article.

(b) The Office may:

(1) implement fair housing testing to ensure compliance by landlords with fair housing laws; and

(2) identify landlords that are out of compliance with federal, State, or local law and facilitate referrals of cases to an appropriate law enforcement agency or another appropriate agency.

(c) (1) On or before June 1 each year, the Office shall publish the Maryland Tenants' Bill of Rights on its website.

(2) The Maryland Tenants' Bill of Rights shall include contact information for the Office.

§6–101.

(a) There is a Division of Neighborhood Revitalization.

(b) The Division of Neighborhood Revitalization includes the Neighborhood Business Development Program.

§6–102.

(a) The Division of Neighborhood Revitalization shall administer commercial and mixed–use revitalization programs to encourage physical and organizational improvements to business areas.

(b) To carry out commercial and mixed–use revitalization programs, the Division of Neighborhood Revitalization shall administer State and federal grants and loans and other financial assistance to:

(1) political subdivisions, local public agencies, nonprofit organizations, neighborhood or community organizations, or private parties; or

(2) corporations or foundations whose net earnings are invested to foster, encourage, help, or carry out community assistance activities, projects, or programs.

(c) The Department may:

(1) charge and collect from a project applicant or recipient of financial assistance under this title:

(i) origination, application, and processing fees; and

(ii) any other charges, fees, or reimbursements incidental to a project application or providing financial assistance; and

(2) include the fees and charges listed in this section in the amount of financial assistance.

§6–103.

(a) A commercial or mixed-use revitalization program provides assistance for downtown or business area commercial management, promotion, and revitalization.

(b) Assistance may be in an area such as:

(1) market surveying, grantsmanship, organization, economic development, design, or similar services; or

(2) facilitating establishment of a commercial district management authority.

§6–104.

(a) (1) The General Assembly finds that the State must have sustainable communities in order to:

(i) preserve and protect the State's natural resources; and

(ii) achieve the State's economic growth, resource protection, and planning policy in § 5–7A–01 of the State Finance and Procurement Article.

(2) The General Assembly finds that sustainable communities are places where public and private investments and partnerships achieve:

(i) development of a healthy local economy;

(ii) protection and appreciation of historic and cultural resources;

(iii) a mix of land uses;

(iv) affordable and sustainable housing and job options; and

(v) growth and development practices that protect the environment and conserve air, water, and energy resources, encourage walkability and recreational opportunities, and, where available, create access to transit.

(b) It is the intent of the General Assembly that the community legacy and neighborhood business development programs:

(1) be used to create, enhance, support, and revitalize sustainable communities across the State; and

(2) be coordinated with other State programs, such as the Sustainable Communities Tax Credit Program established under Title 5A, Subtitle 3 of the State Finance and Procurement Article, in order to maximize the State's investment in sustainable communities.

§6–201.

(a) In this subtitle the following words have the meanings indicated.

(b) "Application" means an application to the Secretary that includes a request to:

(1) designate an area as a sustainable community;

(2) approve a sustainable community plan; or

(3) approve a community legacy project.

(c) "Community development financial institution" has the meaning stated in 12 U.S.C. § 4702.

(d) "Community development organization" means an entity that meets the qualifications of § 6–203 of this subtitle.

(e) "Community legacy agreement" means an agreement between the Department and a sponsor to develop a sustainable community plan or to implement one or more community legacy projects in a designated sustainable community or an eligible opportunity zone.

(f) "Community legacy project" includes a project in a sustainable community or an eligible opportunity zone to:

(1) create, improve, or preserve housing opportunities by acquiring, constructing, rehabilitating, or improving new or existing residential properties;

(2) demolish buildings or improvements strategically to enhance the use of land;

(3) create, improve, or preserve commercial or mixed–use development, including an appropriate combination of properties related to business, housing, open–space, and institutional uses;

(4) develop public infrastructure that is incidental to the implementation of a community legacy project, such as streets, parking, public utilities, landscaping, lighting, and improvements to pedestrian and bicycle circulation;

(5) encourage and develop cooperative ownership or control of open space;

(6) develop or create strategies designed to increase investment in existing communities, including outreach activities to attract business, capital, residents, and visitors and the development and maintenance of resources directly related to the development of a sustainable community plan or the implementation of a community legacy project;

(7) engage in landbanking or otherwise acquire or improve vacant buildings or unimproved land;

(8) provide financial assistance for neighborhood intervention projects; or

(9) develop other plans or implement other projects as the Department considers necessary to further the purposes of this subtitle.

(g) "Eligible opportunity zone" means an area designated as a qualified opportunity zone under § 1400Z–1 of the Internal Revenue Code that is located in Allegany County, Garrett County, Somerset County, or Wicomico County.

(h) "Financial assistance" includes:

(1) a grant;

(2) a loan;

(3) a reduction in the principal obligation of or rate of interest payable on a loan or portion of a loan;

(4) a prepayment of interest on a subordinate or superior loan or portion of a loan;

(5) an assurance;

(6) a guarantee; and

(7) any other form of credit enhancement.

(i) "Landbanking" means acquiring or holding improved and unimproved property:

(1) in anticipation of future development of the property; or

(2) to keep the future use of the property and improvements affordable.

(j) "Priority funding area" means an area designated as a priority funding area under § 5–7B–02 of the State Finance and Procurement Article.

(k) "Program" means the Community Legacy Program established by this subtitle.

(l) "Sustainable Growth Subcabinet" means the subcabinet established under § 9–1406 of the State Government Article.

(m) "Sustainable community" means the part of a priority funding area that:

(1) as determined by the Sustainable Growth Subcabinet, satisfies the requirements of § 6–205 of this subtitle;

(2) has been designated as a BRAC Revitalization and Incentive Zone under Title 5, Subtitle 13 of the Economic Development Article; or

(3) has been designated a transit–oriented development under § 7–101 of the Transportation Article.

(n) "Sustainable community plan" means a plan consisting of one or more community legacy projects or other revitalization projects to prevent or reverse the decline of or disinvestment in a sustainable community through improvements in residential, commercial, or other public or private properties.

§6–202.

(a) There is a Community Legacy Program.

(b) The Department shall administer the Program.

(c) The purposes of the Program are to:

(1) preserve existing communities as desirable places to live and conduct business to reduce outward pressure for sprawl development; and

(2) provide financial assistance to sponsors or their designees to develop sustainable community plans or community legacy projects.

(d) The Program shall encourage partnerships among the federal government, the State government, political subdivisions, and community development organizations to develop and implement sustainable community plans and community legacy projects.

(e) A sustainable community plan or a community legacy project may be sponsored by a political subdivision, a group of political subdivisions, a community development organization, or a community development financial institution.

§6–203.

A corporation, foundation, or other legal entity qualifies as a community development organization if:

(1) its purpose is to improve the physical, economic, or social environment of the area where it operates; and

(2) no part of its net earnings inures to the benefit of a private shareholder or individual holding an interest in that entity.

§6–204.

(a) A sponsor may file one or more applications in accordance with the schedules that the Department establishes.

(b) An application shall set forth:

(1) a description of one or more sustainable communities where the sponsor proposes to develop a sustainable community plan or to carry out a community legacy project using the standards listed in § 6–205 of this subtitle;

(2) a detailed description of the proposed sustainable community plan or proposed community legacy project;

(3) the amount and type of financial assistance sought;

(4) the ability of the sponsor to carry out the proposed sustainable community plan or community legacy project;

(5) the strength and quality of partnerships created among the federal government, the State government, political subdivisions, community development organizations, and other private organizations to develop the sustainable community plan or carry out the community legacy project, including:

(i) financial support;

(ii) dedication of staff and resources; and

(iii) commitment to and development of local smart growth policies;

(6) proposed benchmarks for evaluating whether the proposed sustainable community plan or community legacy project results in a desired outcome for a proposed sustainable community, such as:

(i) stabilizing it;

(ii) reversing its social, economic, or physical decline; or

(iii) encouraging growth in it; and

(7) the process used to seek and receive public input on the proposed sustainable community plan or community legacy project, including the nature and extent of public support or opposition.

(c) (1) The Sustainable Growth Subcabinet, on the recommendation of the Secretary, may designate an area as a sustainable community.

(2) If the Sustainable Growth Subcabinet has not acted within 90 days of a recommendation from the Secretary, the Secretary may designate an area as a sustainable community without the approval of the Sustainable Growth Subcabinet.

§6–205.

(a) The Sustainable Growth Subcabinet, on the recommendation of the Secretary, may designate an area as a sustainable community if the sponsor 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:

(1) 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;

(2) 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;

(3) a community in the proposed area is culturally or historically significant;

(4) the proposed area is near a town center or a transportation center;

(5) 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

(6) there is a demonstrated need for financing assistance for small businesses, nonprofit organizations, or microenterprises.

(b) (1) To maintain a sustainable community designation:

(i) every 5 years a sponsor shall file an updated plan and application with the Department; and

(ii) the Secretary shall make designation recommendations for approval by the Sustainable Growth Subcabinet under § 6–204 of this subtitle.

(2) The Department shall convene an interagency review team from the agencies of the Sustainable Growth Subcabinet to:

(i) review applications and plans;

(ii) provide assistance and guidance to applicants; and

(iii) make recommendations to the Secretary.

(3) The Sustainable Growth Subcabinet may redesignate an area as a sustainable community taking into consideration the factors in subsection (a) of this section.

§6–206.

(a) The Department shall:

(1) review each application and may request more information from the sponsor;

(2) accept public input on each application;

(3) submit each application to appropriate State units and appropriate members of the Sustainable Growth Subcabinet;

(4) consider any recommendation a State unit or member of the Sustainable Growth Subcabinet makes;

(5) consider geographic balance when reviewing applications; and

(6) give priority in awarding financial assistance to applicants that are likely to repay the financial assistance to a community development financial institution or to the Community Legacy Financial Assistance Fund.

(b) (1) The Department shall provide written notice to the political subdivision in which the proposed project is located.

(2) Except as provided in paragraph (5) of this subsection, the Department may not approve an application unless the political subdivision in which the proposed project is located approves the application by:

(i) resolution; or

(ii) letter, delivered to the Department by the political subdivision's authorized designee, expressing support for the plan or project.

(3) If an application affects a sustainable community or an eligible opportunity zone entirely within a municipal corporation, the approval must come from the municipal corporation rather than the surrounding county.

(4) If an application affects a sustainable community or an eligible opportunity zone within more than one political subdivision, each political subdivision must approve it by:

(i) resolution; or

(ii) letter, delivered to the Department by the political subdivision's authorized designee, expressing support for the plan or project.

(5) If the Department does not receive notice of approval or denial of an application from the affected jurisdictions within 45 days after notice of the proposed project is given in accordance with paragraph (1) of this subsection, the Department may approve the application.

(c) The Secretary shall award financial assistance to a sponsor or a sponsor's designee:

(1) in the amount and of the type that the Secretary determines; and

(2) under the terms of a community legacy agreement.

§6–207.

(a) The Department and the sponsor shall execute a community legacy agreement.

(b) The sponsor shall comply with the terms of the community legacy agreement and any regulations the Department adopts to carry out this subtitle.

(c) Not more than 15% of the total financial assistance that the Program provides may be used for noncapital expenditures.

(d) The Department may exercise any remedy provided under the community legacy agreement or by law if a sponsor:

(1) violates any provision of the community legacy agreement; or

(2) ceases to meet the requirements of this subtitle.

§6–208.

(a) Subject to this section, the Department has the powers necessary or desirable to implement the Program.

(b) (1) The Department may determine the terms and conditions for financial assistance awarded under § 6–206(c) of this subtitle.

(2) Financial assistance may be secured by a mortgage, lien, or security interest that is superior to or subordinate to other mortgages, liens, or security interests.

(3) The Department may establish time limits for the use of financial assistance.

(c) (1) The Department may enforce the terms and conditions of the financial assistance given under this subtitle.

(2) Notwithstanding any other law, if a loan or grant is secured by a first or subordinate mortgage or other lien, the Department may:

(i) begin an action to protect or enforce any right given by law, a contract, or other agreement;

(ii) foreclose on property;

(iii) purchase property at any foreclosure or other sale, or acquire or take possession of the property through conveyance in lieu of foreclosure or otherwise, and convey property after acquiring it;

(iv) settle or compromise any debt or obligation owed to the Department;

(v) pay the principal of and interest on any obligation incurred in connection with the property, and dispose of or otherwise deal with the property to protect the interests of the Program; or

(vi) release or sell any mortgage, obligation, or property that the Department holds at public or private sale, with or without public bidding.

(d) (1) The Department may contract with any person, including a private property manager, mortgage servicer, architect, engineer, or other property consultant, or with any governmental unit, for property or services necessary to operate the Program or to implement community legacy projects.

(2) The Department may make agreements with other governmental units to establish partnerships to carry out the Program.

(3) The Department may contract for and accept any grant, contribution, or loan of money, property, or other aid from the federal government and may do all things consistent with this subtitle to qualify for the aid or participate in or administer a federal program.

(e) In connection with loans that it makes, the Department may:

(1) require and obtain appraisals, credit information, and other pertinent information; and

(2) charge interest.

(f) When it is consistent with the best interests of the State to do so, the Department may consent to the modification of any provision of any loan or other financial assistance.

§6–209.

(a) The purposes of a neighborhood intervention project are to provide financial assistance for:

(1) buying properties that need rehabilitation and redeveloping the properties through rehabilitation, demolition, reconstruction, or re–use; or

(2) demolishing property improvements and preparing property for revitalization, redevelopment, or re–use.

(b) To be eligible for financial assistance for a neighborhood intervention project, an applicant shall be:

(1) a political subdivision; or

(2) a community development finance institution.

(c) To be eligible for financial assistance, the applicant must provide evidence at the time of application that:

(1) the applicant has a legal interest in the property through:

(i) ownership of the property;

(ii) a contract, option, or other legal right to acquire the property; or

(iii) the right to demolish the improvements on the property;

(2) the applicant intends to revitalize, redevelop, sell, or re–use the property as part of a redevelopment strategy for the property or a redevelopment plan;

(3) the applicant has complied with the requirements of §§ 5A–325 and 5A–326 of the State Finance and Procurement Article and § 13–1112(b) of the Financial Institutions Article;

(4) the financial assistance from the Program is the least amount necessary to complete the project; and

(5) the project meets any other condition that the Department may require under this subtitle.

(d) Unless waived by the Secretary, a neighborhood intervention project shall meet the additional following requirements:

(1) the project shall be located in a sustainable community and be a part of a sustainable community plan in accordance with §§ 6–204(b)(1) and 6–205 of this subtitle; and

(2) for a project under subsection (a)(2) of this section, the applicant shall agree to repay the financial assistance to the Community Legacy Financial Assistance Fund, up to the amount the applicant receives from:

(i) the net proceeds of the sale of the property on which the demolition took place; or

(ii) any payment to the applicant relating to the property, including any payment for the costs of demolishing the improvements on the property.

(e) (1) The Secretary may not allocate annually more than 15% of the Community Legacy Financial Assistance Fund to neighborhood intervention projects.

(2) The Secretary may not award more than $500,000 for any neighborhood intervention project.

(3) The restrictions in paragraphs (1) and (2) of this subsection do not apply to projects approved by the Secretary in the case of an emergency or when the project requires urgent approval if the project is funded from the reserve established under § 6–211(h) of this subtitle.

§6–210.

(a) The sponsor shall submit to the Department quarterly progress reports on the development of a sustainable community plan or the implementation of a community legacy project.

(b) (1) The Department shall submit an annual report to the Governor and, subject to § 2–1257 of the State Government Article, to the General Assembly on or before each October 31.

(2) The report shall include:

(i) the financial status of the Program for the preceding fiscal year, including the amount and type of financial assistance encumbered and disbursed;

(ii) the number of applications received;

(iii) the number and location of sustainable communities designated; and

(iv) a summary of the quarterly reports submitted by sponsors under subsection (a) of this section.

§6–211.

(a) In this section, "Fund" means the Community Legacy Financial Assistance Fund.

(b) There is a Community Legacy Financial Assistance Fund.

(c) The Fund shall be used to carry out this subtitle.

(d) (1) The Secretary shall administer the Fund in accordance with this subtitle.

(2) The State Treasurer shall hold and the Comptroller shall account for the Fund.

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

(f) The Fund consists of:

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

(2) earnings from the investment of money in the Fund;

(3) repayments and prepayments of financial assistance provided by the Program; and

(4) any other money accepted for the benefit of the Fund from any governmental or private source.

(g) Notwithstanding any other law, the State Treasurer may invest money in the Fund in the same way as money is invested by the State Retirement and Pension System.

(h) In any fiscal year, the Secretary may hold up to 10% of the money in the Fund in reserve for emergency use or urgent projects in accordance with this subtitle.

§6–212.

(a) Subject to subsection (b) of this section, a sustainable community shall receive priority for State funding under the:

(1) Community Legacy Program under this subtitle;

(2) Sustainable Communities Tax Credit Program for commercial properties under Title 5A, Subtitle 3 of the State Finance and Procurement Article;

(3) Neighborhood Business Development Program under Subtitle 3 of this title;

(4) Maryland Historical Trust Grant Program under Title 5A, Subtitle 3 of the State Finance and Procurement Article; and

(5) African American Heritage Grant Program under Title 5A, Subtitle 3 of the State Finance and Procurement Article.

(b) Priority for State funding provided under subsection (a) of this section is available in a sustainable community only if:

(1) a political subdivision issues bonds, notes, or other similar instruments for that sustainable community under:

(i) Title 21, Subtitle 4, Part II of the Local Government Article;

(ii) Title 21, Subtitle 5 of the Local Government Article; or

(iii) Title 12, Subtitle 2 of the Economic Development Article; or

(2) a political subdivision demonstrates to the appropriate unit of State government that the political subdivision has funded infrastructure improvements in that sustainable community.

§6–301.

(a) In this subtitle the following words have the meanings indicated.

(b) (1) "Development costs" means the costs incurred to develop, redevelop, or expand a neighborhood business development project.

(2) "Development costs" includes the costs of:

(i) necessary studies, surveys, plans, and specifications;

(ii) architectural, engineering, or other special services, including flood plain studies, environmental audits, and critical area or wetland assessments;

(iii) land and improvements;

(iv) site preparation;

(v) construction, reconstruction, and rehabilitation;

(vi) machinery, equipment, and furnishings;

(vii) essential operating costs, including working capital and occupancy expenses;

(viii) indemnity and surety bonds and premiums on insurance;

(ix) temporary relocation expenses; and

(x) other costs determined to be acceptable by the Department.

(c) "Eligible opportunity zone" means an area designated as a qualified opportunity zone under § 1400Z–1 of the Internal Revenue Code that is located in Allegany County, Garrett County, Somerset County, or Wicomico County.

(d) "Food desert" means the part of a priority funding area or an eligible opportunity zone designated by the Secretary under § 6–308(c) of this subtitle.

(e) "Fund" means the Neighborhood Business Development Fund.

(f) "Microenterprise" means a business that qualifies as a microenterprise under § 6–302 of this subtitle.

(g) "Priority funding area" means an area designated as a priority funding area under § 5–7B–02 of the State Finance and Procurement Article.

(h) "Program" means the Neighborhood Business Development Program.

(i) (1) "Project" means a neighborhood business development project that receives financial assistance from the Fund.

(2) "Project" includes:

(i) a microenterprise project that receives financial assistance from the Fund; and

(ii) a food desert project that receives financial assistance from the Fund.

(j) "Small business" means a business that qualifies as a small business under § 6–302 of this subtitle.

(k) "Sustainable community" means the part of a priority funding area that:

(1) as determined by the Sustainable Growth Subcabinet, satisfies the requirements of § 6–205 of this title;

(2) has been designated as a BRAC Revitalization and Incentive Zone under Title 5, Subtitle 13 of the Economic Development Article; or

(3) has been designated a transit–oriented development under § 7–101 of the Transportation Article.

§6–302.

A business qualifies as a small business or a microenterprise if the number of its employees and the amount of its annual receipts do not exceed limits that the Department sets by regulation for a small business or a microenterprise.

§6–303.

(a) There is a Neighborhood Business Development Program.

(b) The purposes of the Program are:

(1) in priority funding areas or eligible opportunity zones, to:

(i) help develop, redevelop, or expand small businesses and microenterprises;

(ii) stimulate investment by the private sector;

(iii) invest in revitalization projects for small businesses and microenterprises; and

(iv) stimulate political subdivisions to participate in developing and expanding small businesses and microenterprises; and

(2) in food deserts or parts of priority funding areas or eligible opportunity zones that serve food deserts, to help create and retain small businesses and other food–related enterprises that provide fresh fruits, vegetables, and other healthy foods to residents in the food desert.

(c) The Program includes:

(1) the Business Development Program; and

(2) the Capital Access Program.

§6–304.

(a) There is a Business Development Program in the Neighborhood Business Development Program.

(b) The Business Development Program shall provide financial assistance to projects in priority funding areas or eligible opportunity zones.

§6–305.

(a) (1) A small business, nonprofit organization, or microenterprise may apply for financial assistance under the Business Development Program.

(2) The Department shall review each application.

(b) An applicant may qualify for financial assistance for a project in a priority funding area or an eligible opportunity zone if the application demonstrates that:

(1) the financial assistance from the Fund is the minimum amount necessary to make the project financially feasible;

(2) the project is ready to proceed when it receives financial assistance from the Business Development Program; and

(3) any food desert project includes a plan to seek out sources of Maryland–grown produce and Maryland produced foods.

(c) (1) The Department shall provide written notice to the political subdivision in which the proposed project is located.

(2) Except as provided in paragraph (3) of this subsection, the Department may not approve an application unless the political subdivision in which the proposed project is located approves the application by:

(i) resolution; or

(ii) letter, delivered to the Department by the political subdivision's authorized designee, expressing support of the plan or project.

(3) If the Department does not receive notice of approval or denial of an application from the affected jurisdictions within 45 days after notice of the proposed project is given in accordance with paragraph (1) of this subsection, the Department may approve the application.

(d) Financial assistance under the Business Development Program may be provided to a small business, nonprofit organization, or microenterprise as:

(1) a grant;

(2) a loan;

(3) a reduction in the principal obligation of or interest rate on a loan or portion of a loan;

(4) a prepayment of interest on a subordinate or superior loan or portion of a loan;

(5) an assurance;

(6) a guarantee;

(7) any other form of credit enhancement; or

(8) a promissory note that may be converted to an equity ownership interest and liquidated at the earliest opportunity to realize the highest market value for the Department.

(e) (1) The Department shall reserve at least the lesser of $5,000,000 or the annual capital appropriation for the Fund to make financial assistance available to projects located in sustainable communities.

(2) The Department may meet the funding obligations for sustainable communities and food deserts by using any financial assistance available to the Department that is authorized to be used for these projects.

§6–307.

(a) Financial assistance under the Business Development Program shall be on the terms that the Department considers necessary to make the project financially feasible.

(b) Financial assistance under the Business Development Program may be used for:

(1) a part of the development costs of a project;

(2) the development costs, working capital, or business expenses of a microenterprise project; or

(3) in accordance with § 6–308.3 of this subtitle, small loans for food desert projects.

(c) The Department may require that financial assistance under the Business Development Program be secured by a mortgage or other security instrument, which may be subordinate to other security interests.

(d) The Department may modify the interest rate, the time or amount of payment, or any other term of a grant or loan to facilitate the successful completion or operation of a project.

(e) The Department may contract for services related to the Business Development Program.

§6–308.

(a) The Department shall:

(1) administer the Business Development Program;

(2) adopt regulations to carry out the Business Development Program, including a process to designate an area as a food desert under subsection (c) of this section; and

(3) make a reasonable, good faith effort to make 25% of the Business Development Program loans and grants to microenterprises.

(b) The Department may:

(1) sell, assign, or otherwise dispose of a Program loan or revenue from a loan on terms and conditions acceptable to the Department, including selling loans at a discount, if the maximum sale proceeds in any fiscal year do not exceed limits that the Department sets by regulation;

(2) apply the proceeds received from a sale, assignment, or other disposition under item (1) of this subsection to the Fund;

(3) pledge a Program loan as security for any:

(i) business project loan, bond, or security that is issued, made, or purchased by the Community Development Administration under Title 4 of this article; or

(ii) insurance, guaranty, or credit enhancement on a Program loan or business project under § 4–223 of this article; and

(4) without approval or execution by the Board of Public Works, sell or assign any equity interest acquired under § 6–305(d) of this subtitle.

(c) The Secretary, on the recommendation of the Interagency Food Desert Advisory Committee established under § 6–308.2 of this subtitle, may designate an area as a food desert after considering the following factors:

(1) availability of fresh fruit, vegetables, and other healthy foods in the area;

(2) income levels of local residents;

(3) transportation needs of local residents and the availability of public transportation;

(4) comments from local governments; and

(5) any other factors that the Department considers relevant.

§6–308.1.

(a) If the Department determines that an entity is capable of administering financial assistance under the Program, the entity may originate and administer financial assistance in accordance with standards the Department adopts by regulation.

(b) (1) The Department shall adopt regulations to establish standards for determining the eligibility of an entity to administer financial assistance under the Program.

(2) The standards shall include provisions on:

(i) the size, training, and experience of the professional staff that would administer the financial assistance; and

(ii) the capability of the professional staff to:

1. determine financial capacity of a borrower;

2. originate financial assistance; and

3. evaluate applications for financial assistance.

(c) The Department may:

(1) help train employees of an approved entity to administer financial assistance in accordance with standards that the Department adopts;

(2) charge and collect from a borrower:

(i) reasonable origination, application, and processing fees; and

(ii) other charges, fees, or reimbursements incidental to the financial assistance;

(3) include the fees and charges listed in item (2) of this subsection in the amount of financial assistance;

(4) pay an approved entity a reasonable origination, application, and processing fee for the financial assistance that is originated by the approved entity;

(5) directly fund the financial assistance that is originated by an approved entity;

(6) provide financial assistance to an approved entity for the purpose of the approved entity making the financial assistance in accordance with this subtitle;

(7) purchase or commit to purchase from approved entities any form of financial assistance that meets the requirements of this subtitle and any regulations adopted under this subtitle; and

(8) enter into agreements with approved entities to collectively lend money on a project that meets the requirements of this subtitle and any regulations adopted under this subtitle.

§6–308.2.

(a) There is an Interagency Food Desert Advisory Committee.

(b) The Committee consists of the following seven members:

(1) the Secretary, or the Secretary's designee;

(2) the Secretary of Agriculture, or the Secretary's designee;

(3) the Secretary of Planning, or the Secretary's designee;

(4) the Secretary of Health, or the Secretary's designee;

(5) the Secretary of Human Services, or the Secretary's designee;

(6) the Secretary of Commerce, or the Secretary's designee; and

(7) the Secretary of Education, or the Secretary's designee.

(c) The Secretary or the Secretary's designee is the chair of the Committee.

(d) The Department shall provide staff for the Committee.

(e) The Committee shall:

(1) advise and make recommendations to the Department on the development and adoption of regulations related to food desert projects;

(2) make recommendations to the Secretary on applications for designating an area as a food desert; and

(3) make recommendations for interagency coordination to reduce the number of food deserts and promote healthy food access for Maryland neighborhoods.

§6–308.3.

(a) If the Department determines that an entity is capable of administering a food desert project, the entity may originate and administer financial assistance to a food desert project in accordance with standards the Department adopts by regulation.

(b) The Department may:

(1) pay an approved entity a reasonable origination, application, and processing fee for each food desert project that is originated by the approved entity;

(2) directly fund the financial assistance for a food desert project that is originated by an approved entity;

(3) provide financial assistance to an approved entity for the purpose of the approved entity providing financial assistance for a food desert project in accordance with this subtitle; and

(4) (i) provide small loans in amounts that are not more than $100,000 per loan to an approved entity for assistance in providing or maintaining access to healthy food in urban or rural food deserts, including by providing loans for:

1. refrigerators, freezers, and other equipment; and

2. subject to subsection (c) of this section, operating costs incurred in providing access to healthy food in urban or rural food deserts; and

(ii) work with intermediaries to administer the small loans authorized under item (i) of this paragraph.

(c) The Department shall forgive a loan for operating costs made under subsection (b)(4)(i)2 of this section after 5 years, if the loan recipient maintains continuous operations at the same location during that time.

§6–308.4.

(a) On or before December 1 of each year, the Department shall submit a report on the Program, in accordance with § 2–1257 of the State Government Article, to the Senate Budget and Taxation Committee, the Senate Education, Health, and Environmental Affairs Committee, the House Appropriations Committee, and the House Environment and Transportation Committee.

(b) The report under subsection (a) of this section shall include:

(1) the names of approved entities awarded financial assistance for food desert projects;

(2) the type of activities in which the approved entities are engaged;

(3) the location of the approved entity's operation;

(4) the amount of each grant award;

(5) the number of employees employed by the approved entity;

(6) the basis for approving the grant;

(7) an explanation of how the approved entity's operation advances the policy goal of reducing food deserts; and

(8) if available, how long the grantee's operation stayed in business following the awarding of the grant.

§6–309.

(a) There is a Capital Access Program in the Neighborhood Business Development Program.

(b) The purposes of the Capital Access Program are to:

(1) stimulate private sector lending to small businesses throughout the State; and

(2) encourage private lenders to provide for a reserve of money as additional security for private sector loans made under this section.

(c) The Department may enter into a Capital Access Program participation agreement with each lender eligible to participate in the Capital Access Program.

(d) To be eligible to participate in the Capital Access Program, a lender:

(1) shall be a federally insured financial institution, as defined in § 1-101 of the Financial Institutions Article, or another institution regulated by the Commissioner of Financial Regulation; and

(2) shall enter into a participation agreement with the Department that:

(i) requires the lender to agree to:

1. enroll in the Capital Access Program loans that the lender makes to an eligible small business;

2. establish a loan reserve account with a federally insured financial institution as additional security to cover losses of the lender on loans that the lender enrolls; and

3. contribute money to the loan reserve account for each loan that the lender enrolls; and

(ii) allows the lender to commingle in the reserve account contributions made for loans that the lender enrolls.

(e) To be eligible for a loan under the Capital Access Program, a borrower:

(1) shall be a small business that meets the eligibility requirements set out in the Capital Access Program participation agreement between the borrower's lender and the Department; and

(2) shall agree with the lender to contribute money to the loan reserve account that the lender establishes.

(f) (1) The Department may use the Fund to contribute up to $1,000,000 per fiscal year to loan reserve accounts established under subsection (d) of this section.

(2) The contributions by the Department are exempt from the requirements of Title 6, Subtitle 2, and Titles 11 through 17, of the State Finance and Procurement Article.

(g) (1) Enrolling a loan in the Capital Access Program does not pledge the faith, credit, or taxing power of the State, the Department, the Neighborhood Business Development Program, or the Fund.

(2) The State, the Department, the Neighborhood Business Development Program, and the Fund are not liable for losses of a lender on an enrolled loan, except to the extent of the loan reserve account that the lender establishes under the Capital Access Program.

(h) A project financed by a loan enrolled in the Capital Access Program shall be in a priority funding area as required by Title 5, Subtitle 7B of the State Finance and Procurement Article.

(i) A lender shall treat a default on a loan enrolled in the Capital Access Program in the same way that the lender treats defaults on other loans.

(j) The Department may require that, before a lender withdraws money from a reserve account to cover losses on a defaulted enrolled loan, the lender agree that, if the reserve account fully covers the losses, the lender will assign to the Department or subrogate the Department to the right, title, and interest of the lender in and to:

(1) the loan;

(2) collateral and security for the loan; and

(3) every other right of recovery in connection with the loan.

(k) (1) After a default on a loan enrolled in the Capital Access Program, the Department may acquire, hold, improve, operate pending sale or other disposition, sell, assign, exchange, transfer, convey, lease, mortgage, or otherwise dispose of or encumber property that secures or is collateral for all or part of the loan, including:

(i) real property;

(ii) personal property; and

(iii) evidence of indebtedness.

(2) The Department may act under this subsection:

(i) in its name or in the name of the Neighborhood Business Development Program; and

(ii) notwithstanding Titles 10 through 17 of the State Finance and Procurement Article.

(l) The Department shall adopt regulations to carry out the Capital Access Program.

§6–310.

(a) There is a Neighborhood Business Development Fund.

(b) The Department shall use the Fund to:

(1) operate and pay expenses of the Program; and

(2) provide financial assistance to small businesses, nonprofit organizations, and microenterprises.

(c) (1) The Department shall administer the Fund.

(2) The State Treasurer shall hold and the Comptroller shall account for the Fund.

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

(e) The Fund consists of:

(1) money appropriated in the State budget for the Program;

(2) any repayment or prepayment of financial assistance under this subtitle or under the State Action Loans for Targeted Areas Program under former Article 83B, Title 4, Subtitle 6, of the Code;

(3) money transferred to the Fund from any other fund as provided in this article;

(4) money received from the sale, assignment, or other disposition of Program loans and equity interests;

(5) other money received by the Program under this subtitle or from the Community Development Administration under Subtitle 2 of this title; and

(6) investment earnings of the Fund.

(f) The Fund shall be invested in the same way as other State money.

(g) With the approval of the Legislative Policy Committee and, subject to § 7–209 of the State Finance and Procurement Article, after the first 8 months of a fiscal year, the Department may transfer unencumbered money in the Fund to:

(1) any other fund established under this title;

(2) the Community Development Administration to provide financial assistance to business projects; and

(3) the Maryland Housing Fund under Title 3 of this article to provide insurance, credit enhancement, or a guaranty on:

(i) a Program loan; or

(ii) a business project loan, bond, or security that is issued, made, or purchased by the Community Development Administration under Title 4 of this article.

§6–311.

(a) (1) A person may not knowingly make or cause to be made a false statement or report in a document required to be submitted to the Department by an agreement relating to financial assistance under the Program.

(2) An applicant for financial assistance under the Program may not knowingly make or cause to be made any false statement or report to influence the action of the Department on an application or to influence any action of the Department affecting financial assistance already provided.

(b) A person who violates this section is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 5 years or a fine not exceeding $50,000 or both.

§6–401.

(a) In this subtitle the following words have the meanings indicated.

(b) "Approved project" means a project that the Department approves under § 6–405 of this subtitle.

(c) "Business entity" means a person that conducts a trade or business in the State and is subject to:

(1) the State income tax on individuals or corporations;

(2) the public service company franchise tax; or

(3) the insurance premiums tax.

(d) "Individual" means an individual as defined under § 10–101 of the Tax – General Article.

(e) "Nonprofit organization" means a nonprofit corporation, foundation, or other legal entity that is exempt from federal income tax under § 501(c)(3) of the Internal Revenue Code.

(f) "Priority funding area" means a priority funding area under § 5–7B–02 of the State Finance and Procurement Article.

(g) "Redevelopment assistance" means the money that nonprofit organizations spend for labor and materials used directly in the physical improvement of part or all of a priority funding area.

§6–402.

There is a Neighborhood and Community Assistance Program.

§6–403.

The purposes of the Neighborhood and Community Assistance Program are to:

(1) help nonprofit organizations to carry out approved projects in priority funding areas;

(2) encourage business entities and individuals to invest in priority funding areas; and

(3) strengthen partnerships between public and private entities.

§6–404.

(a) (1) For a contribution worth $500 or more in goods, money, or real property to an approved project, a business entity or an individual is entitled to a tax credit in the amount determined under subsection (b) of this section.

(2) No part of a tax credit under this section may be taken more than once.

(b) (1) Except as provided in paragraph (2) of this subsection, the credit allowed to a business entity or an individual under this section equals 50% of the amount of contributions:

(i) that the Department approves under subsection (c) of this section; and

(ii) that were made during the taxable year for which the credit is claimed.

(2) The credit allowed under this section for any taxable year may not exceed the lesser of:

(i) $250,000; and

(ii) the total amount of tax otherwise payable by the business entity or individual for the taxable year.

(3) Any excess credit that would be allowed but for the limits of paragraph (2) of this subsection may be carried over and applied as a credit for up to

5 taxable years after the taxable year in which the contribution was made, until the full amount of the excess is used.

(c) (1) To qualify for a credit for a contribution under this section, before making a contribution, a business entity or an individual shall apply for and receive approval of the contribution from the Department.

(2) Each application for approval of a contribution shall contain:

(i) the name of the approved project to which the contribution will be made;

(ii) the amount of the contribution; and

(iii) a certification by an independent and unrelated third party as to the value of any nonmonetary contribution included or, for new goods, an invoice or receipt certifying the contribution's net cost to the business entity or individual.

(3) The Department may not approve an application if it determines that:

(i) the maximum amount of contributions eligible for a tax credit for the project for the fiscal year will be exceeded by the sum of:

1. the amount of the proposed contribution; and

2. the total amount of contributions previously approved for that project for the fiscal year; or

(ii) the applicant has overstated the value of a nonmonetary contribution.

(4) On or before January 31 of each year, the Department shall report to the Department of Assessments and Taxation, the Comptroller, and the Maryland Insurance Administration the contributions that the Department has approved under this section in the preceding calendar year.

§6–405.

(a) (1) For each fiscal year, a nonprofit organization may submit to the Department, for approval under the Neighborhood and Community Assistance Program, a proposal for a project to provide services to a priority funding area.

(2) The project may include:

(i) community services, including child care and recreational services;

(ii) redevelopment assistance;

(iii) job training for individuals whose incomes do not exceed the upper income limits that the Secretary sets under § 4–212 of this article;

(iv) education; and

(v) crime prevention.

(b) A proposal under this section shall include:

(1) the project to be conducted;

(2) the priority funding area that will benefit from the project;

(3) a description of the applicant's experience and capabilities;

(4) the estimated costs of the project;

(5) a description of the plans for implementing the project; and

(6) any other information that the Department determines is necessary.

(c) (1) The Department shall provide written notice to the political subdivision in which the proposed project is located.

(2) Except as provided in paragraph (4) of this subsection, the Department may not approve a proposal submitted under this section unless the proposal is approved by the governing body or authorized designee of:

(i) each county that includes any of the priority funding area that benefits from the project, if the project is not in a municipal corporation;

(ii) each municipal corporation that includes any of the priority funding area that benefits from the project; or

(iii) each political subdivision that includes any of the priority funding area that benefits from the project, if the priority funding area is partly within and partly outside of any municipal corporation.

(3) An approval shall:

(i) be in writing; and

(ii) state the maximum amount of contributions to the approved project that are eligible for a tax credit under § 6–404 of this subtitle.

(4) If the Department does not receive notice of approval or denial of an application from the affected jurisdictions within 45 days after notice of the proposed project is given in accordance with paragraph (1) of this subsection, the Department may approve the application.

(5) The sum of contributions eligible for a tax credit under § 6–404 of this subtitle for all approved projects for a fiscal year may not exceed $3,500,000.

(d) In approving or disapproving a proposal and in determining the maximum amount of contributions eligible for tax credits under § 6–404 of this subtitle, the Department:

(1) shall consider:

(i) the need for the project in relation to the need for other proposed projects;

(ii) the anticipated benefit to the priority funding area;

(iii) the capacity of the applicant to raise money for the project;

(iv) the readiness of the applicant to proceed with the project;

(v) the ability of the applicant to complete the project as proposed;

(vi) the geographic distribution of projects; and

(vii) any other relevant factors;

(2) may give preference to a proposal that benefits:

(i) a sustainable community under § 6–305 of this title; or

(ii) a neighborhood conservation district that is locally designated in coordination with the Department's Neighborhood and Community Assistance Program;

(3) may request data and assistance from other units of the State; and

(4) shall apportion among all approved projects the limit imposed by subsection (c)(5) of this section.

§6–406.

The Department shall adopt regulations to carry out this subtitle.

§6–501.

(a) In this subtitle the following words have the meanings indicated.

(b) "Community development financial institution" has the meaning stated in 12 U.S.C. § 4702.

(c) "Community development organization" means an entity that meets the requirements set forth under § 6–504(a) of this subtitle.

(d) (1) "Financial assistance" means a grant, a loan, or an investment provided under this subtitle.

(2) "Financial assistance" includes:

(i) an assurance;

(ii) a guarantee;

(iii) a prepayment of interest on a subordinate or superior loan or portion of a loan;

(iv) a reduction in the principal obligation of or rate of interest payable on a loan or a portion of a loan; and

(v) any other form of credit enhancement.

(e) "Program" means the Baltimore Regional Neighborhood Initiative Program.

(f) "Sustainable community" means an area designated as a sustainable community under § 6–205 of this title.

§6–502.

(a) There is a Baltimore Regional Neighborhood Initiative Program.

(b) The Department shall administer the Program.

(c) The purpose of the Program is to:

(1) provide strategic investment in local housing and businesses to encourage healthy, sustainable communities with a growing tax base and enhanced quality of life; and

(2) focus on areas where modest investment and coordinated strategies will have an appreciable neighborhood revitalization impact.

§6–503.

(a) The community enhancement projects eligible to receive Program funds include:

(1) down payment assistance for homebuyers to purchase and rehabilitate homes;

(2) programs to acquire or rehabilitate vacant or blighted properties;

(3) programs to improve existing residential and business properties;

(4) programs to achieve energy efficiency through weatherization and energy retrofits;

(5) development of mixed–use projects that combine housing, retail, and office space;

(6) development or enhancement of community open space or public infrastructure;

(7) workforce and employment development programs; and

(8) strategic demolition.

(b) Program funds may be used for operating costs necessary to implement a community enhancement project.

(c) The Secretary may establish additional community enhancement projects eligible to receive Program funds.

§6–504.

(a) A corporation, a foundation, or any other legal entity is a community development organization eligible to apply for Program funds if:

(1) the purpose of the organization is to implement a clear revitalization strategy in a neighborhood or set of neighborhoods within Baltimore City or the inner–beltway communities of Baltimore County or Anne Arundel County; and

(2) no part of the organization's net earnings inures to the benefit of a private shareholder or an individual holding an interest in the entity.

(b) The community development organization's application must contain a neighborhood revitalization plan that includes community enhancement projects located within a sustainable community.

(c) A community development organization may apply with another community development organization or with a community development financial institution that has the capacity and experience to assist in the financing of real estate projects within the community.

(d) The community enhancement projects for which a community development organization applies for Program funds may be located in more than one political subdivision.

§6–505.

(a) (1) A community development organization may apply to the Department to receive Program funds for community enhancement projects.

(2) The Department shall establish the application process.

(3) The application shall contain:

(i) the neighborhood revitalization plan;

(ii) a description of each community enhancement project;

(iii) organizational documents for the community development organization; and

(iv) any other information the Department requires.

(b) (1) The Department, by regulation, shall establish a quantitative system to evaluate each application.

(2) The quantitative evaluation system shall evaluate each application based on:

(i) the neighborhood revitalization plan and how the plan relates to the goals outlined in the community's larger sustainable communities plan;

(ii) the description of the community conditions and the appropriateness of outlined strategies to address those conditions;

(iii) the ability of each proposed community enhancement project to address identified challenges within the community; and

(iv) the capacity and experience of the applicant and the applicant's partners to complete the proposals and leverage additional financing.

(c) The Department may give additional consideration to applications that include:

(1) opportunities that promote compact redevelopment and connect housing and job opportunities with transportation options;

(2) activities in specially designated districts that encourage residential reinvestment that reinforces the success of the businesses in the districts;

(3) community enhancement projects that encourage or incorporate elements that address environmental responsibility and stewardship into the site and project development, design, and construction;

(4) community enhancement projects that incorporate additional State and local revitalization and smart growth programs and financing tools;

(5) capital investments and business practices that incorporate inclusionary hiring practices that increase local workforce opportunities; and

(6) projects whose purpose is to identify for acquisition, acquire, develop, or promote the development of vacant or blighted properties.

§6–506.

(a) The Department shall:

(1) review each application submitted under § 6–505 of this subtitle and may request additional information from the applicant;

(2) accept public input on each application; and

(3) consider the recommendation of any State unit.

(b) (1) The Department may not approve an application until the Department has provided written notice and a reasonable opportunity to comment to the political subdivision where the proposed community enhancement project is located.

(2) If the application affects a neighborhood entirely within a municipal corporation, the Department must provide notice and a reasonable opportunity to comment to the municipal corporation and not the surrounding county.

(3) If an application affects a neighborhood within more than one political subdivision, the Department must provide notice and a reasonable opportunity to comment to each political subdivision.

(c) The Secretary shall award financial assistance to an applicant:

(1) in the amount and of the type that the Secretary determines; and

(2) under the terms of a Program agreement.

§6–507.

(a) The Department and a recipient of financial assistance from the Program shall execute a Program agreement.

(b) The recipient of financial assistance from the Program shall comply with the terms of the Program agreement.

(c) The Program agreement may not allow for more than 40% of the total financial assistance that the Program provides to be used for operating expenditures.

(d) The Department may exercise any remedy provided under the Program agreement or by law if the recipient of financial assistance from the Program:

(1) violates any provision of the agreement; or

(2) ceases to meet any requirement of this subtitle.

§6–508.

(a) The Department has the powers necessary to implement the Program.

(b) (1) The Department may determine the terms and conditions or establish time limits for the use of financial assistance awarded under this subtitle.

(2) The financial assistance awarded under this subtitle may be secured by a mortgage, a lien, or any other security interest that is superior to or subordinate to other mortgages, liens, or other security interests.

(c) (1) The Department may enforce the terms and conditions of the financial assistance awarded under this subtitle.

(2) If any financial assistance awarded under this subtitle is secured by a first or subordinate mortgage or other lien, the Department may:

(i) begin an action to protect or enforce any right given by law, contract, or other agreement;

(ii) foreclose on property;

(iii) purchase property at any foreclosure or other sale, or acquire or take possession of the property through conveyance in lieu of foreclosure or otherwise, and convey property after acquiring it;

(iv) settle or compromise any debt or obligation owed to the Department;

(v) pay the principal of and interest on any obligation incurred in connection with the property and dispose of or otherwise deal with the property to protect the interests of the Program; or

(vi) release or sell any mortgage, obligation, or property that the Department holds at public or private sale, with or without public bidding.

(d) (1) The Department may contract with any person or governmental unit for property or services necessary to operate the Program.

(2) The Department may contract for and accept any grant, contribution, or loan of money, property, or other aid from the federal government and may do all things consistent with this subtitle to qualify for the aid.

(e) In connection with any loans that the Department makes, the Department may:

(1) require and obtain appraisals, credit information, and other pertinent information; and

(2) charge interest.

(f) The Department may consent to the modification of any provision of a Program agreement if the modification is in the best interest of the Program.

§6–509.

(a) The recipient of financial assistance from the Program shall submit to the Department quarterly progress reports on the development of a community enhancement project.

(b) (1) On or before October 31 each year, the Department shall submit a report to the Governor and, subject to § 2–1257 of the State Government Article, the General Assembly.

(2) The report shall include, for the previous fiscal year:

(i) the number of applications received;

(ii) the number and location of community enhancement projects;

(iii) the financial status of the Program, including the amount and types of financial assistance encumbered and disbursed; and

(iv) a summary of the quarterly reports submitted under subsection (a) of this section.

§6–510.

(a) In this section, "Fund" means the Baltimore Regional Neighborhood Initiative Program Fund.

(b) There is a Baltimore Regional Neighborhood Initiative Program Fund.

(c) The purpose of the Fund is to provide financial assistance under the Program.

(d) The Secretary shall administer the Fund.

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

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

(f) The Fund consists of:

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

(2) earnings from the investment of money in the Fund;

(3) repayments of financial assistance provided by the Program;

(4) interest earnings of the Fund; and

(5) any other money from any other source accepted for the benefit of the Fund.

(g) The Fund may be used only for providing financial assistance under the Program.

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

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

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

(j) (1) For fiscal year 2019, the Governor shall include in the budget bill or the capital budget bill an appropriation to the Fund in the amount of $8,000,000.

(2) For fiscal year 2020 and each fiscal year thereafter, the Governor shall include in the annual budget bill or the capital budget bill an appropriation for the Fund in the amount of $12,000,000.

§6–601.

(a) In this subtitle the following words have the meanings indicated.

(b) "Board" means the Community Development Board.

(c) "Fund" means the Community Development Fund.

(d) "Program" means the Community Development Program.

§6–602.

(a) There is a Community Development Program in the Department.

(b) The purpose of the Program is to provide financial assistance for community development projects and community development organizations around the State.

§6–603.

The Department shall:

(1) administer the Program; and

(2) adopt regulations to carry out the Program.

§6–604.

(a) There is a Community Development Board in the Program.

(b) The Board consists of the following members:

(1) the Secretary, or the Secretary's designee; and

(2) the following members, appointed by the Governor, in consultation with the President of the Senate and the Speaker of the House:

(i) one representative of the Community Development Network of Maryland;

(ii) one representative of the small business community;

(iii) one representative of the nonprofit development community;

(iv) one representative of the for–profit development community;

(v) one representative involved with rural community development;

(vi) one representative involved with suburban community development; and

(vii) one representative involved with urban community development.

(c) The Secretary shall designate the chair of the Board.

(d) (1) The term of a member may not exceed 3 years.

(2) A member may be reappointed.

(e) Service as a member is not a State office or State employment for purposes of any prohibition against holding two public positions.

§6–605.

The Board shall:

(1) make recommendations on how the Fund is to be used;

(2) provide a period of at least 30 days for public comment on the recommendations; and

(3) report on or before December 31 each year on the activities of the Fund and make any recommendations regarding the Fund to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly.

§6–606.

(a) There is a Community Development Fund.

(b) The purpose of the Fund is to provide financial assistance for community development projects and community development organizations around the State.

(c) The Department shall administer the Fund with the assistance of the Board.

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

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

(e) The Fund consists of:

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

(2) any other money from any other source accepted for the benefit of the Fund.

(f) The Fund may be used only for:

(1) administrative expenses of the Department in administering the Program; and

(2) financial assistance for community development projects and community development organizations as provided under § 6–607 of this subtitle.

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

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

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

(i) Money expended from the Fund for the Program is supplemental to and is not intended to take the place of funding that otherwise would be appropriated for the Program.

§6–607.

In consultation with the Board, the Department shall administer the Fund to provide financial assistance, including capital and operating grants, to community development projects and community development organizations to provide and support:

(1) affordable housing;

(2) neighborhood revitalization for residential and commercial areas;

(3) housing counseling, financial counseling, and foreclosure prevention;

(4) community organizing;

(5) small business development;

(6) community services; and

(7) any other community development purpose.

§6–608.

The Department shall provide financial assistance from the Fund in the form and manner the Department determines appropriate, including providing capital and operating grants.

§6–609.

This subtitle is the Community Development Program Act.

§6–701.

(a) In this subtitle the following words have the meanings indicated.

(b) "Community development financial institution" has the meaning stated in 12 U.S.C. § 4702.

(c) "Community development organization" means an entity that meets the requirements under § 6–704 of this subtitle.

(d) (1) "Financial assistance" means a grant, a loan, or an investment provided under this subtitle.

(2) "Financial assistance" includes:

(i) an assurance;

(ii) a guarantee;

(iii) a prepayment of interest on a subordinate or superior loan or portion of a loan;

(iv) a reduction in the principal obligation of or rate of interest payable on a loan or a portion of a loan; and

(v) any other form of credit enhancement.

(e) "National capital region" means the areas of the State located within a sustainable community in Montgomery County or Prince George's County.

(f) "Program" means the National Capital Strategic Economic Development Program.

(g) "Sustainable community" means an area designated as a sustainable community under § 6–205 of this title.

§6–702.

(a) There is a National Capital Strategic Economic Development Program.

(b) The Department shall administer the Program.

(c) The purpose of the Program is to:

(1) provide strategic investment in local housing and businesses to encourage healthy, sustainable communities with a growing tax base and enhanced quality of life; and

(2) focus on areas where modest investment and coordinated strategies will have an appreciable neighborhood revitalization impact.

§6–703.

(a) The community enhancement projects eligible to receive Program funds include:

(1) down payment assistance for homebuyers to purchase and rehabilitate homes;

(2) programs to acquire or rehabilitate vacant or blighted properties;

(3) programs to improve existing residential and business properties;

(4) programs to achieve energy efficiency through weatherization and energy retrofits;

(5) development of affordable housing;

(6) development of mixed–use projects that combine housing, retail, and office space;

(7) development or enhancement of community open space or public infrastructure;

(8) workforce and employment development programs, when associated with other projects listed under this subsection;

(9) career and technical education and apprenticeship programs, when associated with other projects listed under this subsection; and

(10) strategic demolition.

(b) Program funds may be used for operating costs necessary to implement a community enhancement project.

(c) The Secretary may establish additional community enhancement projects eligible to receive Program funds.

§6–704.

(a) (1) A government agency, including a housing authority, with jurisdiction in the national capital region, an entity controlled directly or indirectly by a housing authority that operates in the national capital region, and, subject to paragraph (2) of this subsection, a community development organization are eligible to apply for program funds.

(2) A corporation, a foundation, or any other legal entity is a community development organization eligible to apply for Program funds if:

(i) the purpose of the organization is to implement a clear revitalization strategy in a neighborhood or set of neighborhoods within the national capital region; and

(ii) no part of the organization's net earnings inures to the benefit of a private shareholder or an individual holding an interest in the entity.

(b) The eligible institution's application must contain a neighborhood revitalization plan that includes community enhancement projects located within a sustainable community.

(c) An eligible institution may apply with another eligible institution or with a community development financial institution that has the capacity and experience to assist in the financing of real estate projects within the community.

(d) The community enhancement projects for which an eligible institution applies for Program funds may be located in more than one political subdivision.

§6–705.

(a) (1) A government agency, including a housing authority, with jurisdiction in the national capital region, an entity controlled directly or indirectly by a housing authority that operates in the national capital region, and a community development organization may apply to the Department to receive Program funds for community enhancement projects.

(2) The Department shall establish the application process.

(3) The application shall contain:

(i) the neighborhood revitalization plan;

(ii) a description of each community enhancement project;

(iii) organizational documents for the community development organization; and

(iv) any other information the Department requires.

(b) (1) The Department, by regulation, shall establish a quantitative system to evaluate each application.

(2) The quantitative evaluation system shall evaluate each application based on:

(i) the neighborhood revitalization plan and how the plan relates to the goals outlined in the community's larger sustainable communities plan;

(ii) the description of the community conditions and the appropriateness of outlined strategies to address those conditions;

(iii) the ability of each proposed community enhancement project to address identified challenges within the community; and

(iv) the capacity and experience of the applicant and the applicant's partners to complete the proposals and leverage additional financing.

(c) The Department may give additional consideration to applications that include:

(1) opportunities that promote compact redevelopment and connect housing and job opportunities with transportation options;

(2) activities in specially designated districts that encourage residential reinvestment that reinforces the success of the businesses in the districts;

(3) community enhancement projects that encourage or incorporate elements that address environmental responsibility and stewardship into the site and project development, design, and construction;

(4) community enhancement projects that incorporate additional State and local revitalization and smart growth programs and financing tools;

(5) capital investments and business practices that incorporate inclusionary hiring practices that increase local workforce opportunities; and

(6) projects whose purpose is to identify for acquisition, acquire, develop, or promote the development of vacant or blighted properties.

§6–706.

(a) The Department shall:

(1) review each application submitted under § 6–705 of this subtitle and may request additional information from the applicant;

(2) accept public input on each application; and

(3) consider the recommendation of any State unit.

(b) (1) The Department may not approve an application until the Department has provided written notice and a reasonable opportunity to comment to the political subdivision where the proposed community enhancement project is located.

(2) If the application affects a neighborhood entirely within a municipal corporation, the Department must provide notice and a reasonable opportunity to comment to the municipal corporation and not the surrounding county.

(3) If an application affects a neighborhood within more than one political subdivision, the Department must provide notice and a reasonable opportunity to comment to each political subdivision.

(c) The Secretary shall, subject to subsection (b) of this section, award financial assistance to an applicant:

(1) in the amount and of the type that the Secretary determines; and

(2) under the terms of a Program agreement.

§6–707.

(a) The Department and a recipient of financial assistance from the Program shall execute a Program agreement.

(b) The recipient of financial assistance from the Program shall comply with the terms of the Program agreement.

(c) The Program agreement may not allow for more than 40% of the total financial assistance that the Program provides to be used for operating expenditures.

(d) The Department may exercise any remedy provided under the Program agreement or by law if the recipient of financial assistance from the Program:

(1) violates any provision of the agreement; or

(2) ceases to meet any requirement of this subtitle.

§6–708.

(a) The Department has the powers necessary to implement the Program.

(b) (1) The Department may determine the terms and conditions for or establish time limits for the use of financial assistance awarded under this subtitle.

(2) The financial assistance awarded under this subtitle may be secured by a mortgage, a lien, or any other security interest that is superior to or subordinate to other mortgages, liens, or other security interests.

(c) (1) The Department may, subject to any limits imposed by law, enforce the terms and conditions of the financial assistance awarded under this subtitle.

(2) If any financial assistance awarded under this subtitle is secured by a first or subordinate mortgage or other lien, the Department may, subject to any limits imposed by law:

(i) begin an action to protect or enforce any right given by law, contract, or other agreement;

(ii) foreclose on property;

(iii) purchase property at any foreclosure or other sale, or acquire or take possession of the property through conveyance in lieu of foreclosure or otherwise, and convey property after acquiring it;

(iv) settle or compromise any debt or obligation owed to the Department;

(v) pay the principal of and interest on any obligation incurred in connection with the property and dispose of or otherwise deal with the property to protect the interests of the Program; or

(vi) release or sell any mortgage, obligation, or property that the Department holds at public or private sale, with or without public bidding.

(d) (1) The Department may contract with any person or governmental unit for property or services necessary to operate the Program.

(2) The Department may contract for and accept any grant, contribution, or loan of money, property, or other aid from the federal government and may do all things consistent with this subtitle to qualify for the aid.

(e) In connection with any loans that the Department makes, the Department may:

(1) require and obtain appraisals, credit information, and other pertinent information; and

(2) charge interest.

(f) The Department may consent to the modification of any provision of a Program agreement if the modification is in the best interest of the Program.

§6–709.

(a) The recipient of financial assistance from the Program shall submit to the Department quarterly progress reports on the development of a community enhancement project.

(b) (1) On or before October 31 each year, the Department shall submit a report to the Governor and, subject to § 2–1257 of the State Government Article, the General Assembly.

(2) The report shall include, for the previous fiscal year:

(i) the number of applications received;

(ii) the number and location of community enhancement projects;

(iii) the financial status of the Program, including the amount and types of financial assistance encumbered and disbursed; and

(iv) a summary of the quarterly reports submitted under subsection (a) of this section.

§6–710.

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

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

(c) The purpose of the Fund is to provide financial assistance under the Program.

(d) The Department shall administer the Fund.

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

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

(f) The Fund consists of:

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

(2) interest earnings of the Fund; and

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

(g) Subject to subsection (k) of this section, the Fund may be used only for providing financial assistance under the Program.

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

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

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

(j) (1) For fiscal year 2021 and each fiscal year thereafter, the Governor shall include in the annual operating budget an appropriation for the Fund in the amount of $200,000.

(2) For fiscal years 2021 through 2024, the Governor shall include in the annual operating or capital budget an appropriation for the Fund in the amount of $7,000,000.

(3) For fiscal year 2025 and each fiscal year thereafter, the Governor shall include in the annual operating or capital budget an appropriation for the Fund in the amount of $12,000,000.

(k) The Fund may be used only for community enhancement projects in sustainable communities located:

(1) in Prince George's County, at least in part, within the boundary created by Interstate 495 in the State and the District of Columbia; or

(2) in Montgomery County, within an enterprise zone or the boundary created by:

(i) Prince George's County;

(ii) Maryland Route 200;

(iii) Interstate 270;

(iv) Interstate 495 to the Maryland state line; and

(v) the District of Columbia.

§6–901.

In this subtitle, "catalytic revitalization project" means the substantial rehabilitation of a property in the State:

(1) that was formerly owned by the State or the federal government;

(2) the rehabilitation of which will foster economic, housing, and community development within the community in which the property is located; and

(3) that is out of service and was formerly used as a college or university, K–12 school, hospital, mental health facility, or military facility or installation.

§6–902.

(a) An individual, a nonprofit organization, or a business entity may claim a tax credit in an amount equal to:

(1) for a project issued a single tax credit certificate on completion, 20% of the amount stated in the final tax credit certificate issued by the Secretary under § 6–903 of this subtitle for 5 consecutive taxable years beginning with the taxable year in which a final tax credit certificate is issued; or

(2) for a phased project issued a tax credit certificate on completion of a phase, 100% of the amount stated in the final tax credit certificate issued by the Secretary under § 6–903 of this subtitle for the taxable year in which the final tax credit certificate is issued.

(b) The Comptroller or the Secretary may not recapture a tax credit authorized under this subtitle if:

(1) the catalytic revitalization project is transferred, in whole or in part, by fee simple transfer of real property or by transfer of an ownership interest in the entity that owns the project to a new owner; and

(2) the Secretary has issued a final tax credit certificate for the catalytic revitalization project under § 6–903 of this subtitle.

(c) The Secretary may issue multiple final tax credit certificates for a project that is issued an initial tax certificate under this section if:

(1) the project has been determined by the Secretary to be in phases;

(2) a phase of the project has been completed;

(3) a final tax credit certificate is not issued for more than 20% of the project's eligible expenses to date; and

(4) a final tax credit certificate is not issued that would exceed the aggregated limit of a project's credit under § 6–903(b) of this subtitle.

§6–903.

(a) (1) Subject to the limitations of paragraph (2) of this subsection and subsection (b) of this section, on application by an individual, a nonprofit organization, or a business entity, the Secretary shall issue:

(i) an initial tax credit certificate in an amount equal to 20% of the individual's, nonprofit organization's, or business entity's estimated new construction costs and rehabilitation costs for the project; and

(ii) on completion of the catalytic revitalization project or a phase of the catalytic revitalization project, a final tax credit certificate in an amount equal to 20% of the individual's, nonprofit organization's, or business entity's actual new construction costs and rehabilitation costs for the project.

(2) For purposes of calculating the credit authorized under paragraph (1) of this subsection, new construction costs:

(i) must be related to the construction of new structures that connect, expand, or integrate the existing structures to be rehabilitated; and

(ii) may not exceed 50% of the total costs of the catalytic revitalization project.

(b) (1) Except as provided in paragraph (2)(ii) of this subsection, the Secretary may not:

(i) accept applications and award initial credit certificates for catalytic revitalization projects more than once within a 2–year period; or

(ii) issue tax credit certificates for credit amounts in the aggregate totaling more than $15,000,000 within a 2–year period.

(2) (i) The Secretary may revoke an initial credit certificate on a finding by the Secretary that the recipient is not in compliance with the initial credit certificate or an agreement with the Department regarding the initial credit certificate.

(ii) If the Secretary revokes an initial credit certificate under subparagraph (i) of this paragraph, the Secretary may award an initial credit certificate to another applicant, provided that the award does not exceed the amount of the revoked initial credit certificate.

(c) If the tax credit allowed under this subtitle in any taxable year exceeds the total tax otherwise payable by the individual, nonprofit organization, or business entity for that taxable year, the individual, nonprofit organization, or business entity may claim a refund in the amount of the excess.

(d) The credit allowed under this subtitle may be allocated among the partners, members, or shareholders of a business entity in any manner agreed to by those persons in writing.

(e) (1) The original recipient of an initial tax credit issued in accordance with this section may transfer the initial tax credit certificate to one or more other individuals, nonprofit organizations, or business entities.

(2) The transfer of an initial tax credit certificate under paragraph (1) of this subsection need not involve a transfer of the catalytic revitalization project, whether by fee simple transfer of real property or a transfer of a portion or all of the ownership interest that the original recipient holds in the entity that owns the real property to a new owner or owners.

(3) An initial tax credit certificate issued in accordance with this section may not:

(i) be transferred to another person without the express written consent of the original recipient; or

(ii) be transferred as part of the involuntary transfer of the real property ownership interest in an entity that owns the real property without the prior written consent of the original recipient of the certificate and the Secretary.

(f) (1) The amount of the tax credit stated in the final tax credit certificate that is allowed, but not claimed, under this subtitle may be transferred, by written instrument, in whole or in part, to any individual, nonprofit organization, or business entity.

(2) For the taxable year of any transfer under this subsection, the transferee under paragraph (1) of this subsection may apply the tax credit against the total tax otherwise payable by the transferee in that taxable year.

(3) If the tax credit exceeds the total tax otherwise payable by the transferee in any taxable year, the transferee:

(i) may claim a refund in the amount of the excess;

(ii) may carry forward and apply the excess credit for succeeding taxable years until the full amount of the credit is used; or

(iii) may transfer the remainder of the tax credit to an individual, a nonprofit organization, or a business entity in accordance with paragraph (1) of this subsection.

§6–904.

The Secretary, in consultation with the Department of Commerce, shall adopt regulations to carry out the provisions of this subtitle, including regulations that:

(1) establish procedures and standards for certifying new construction costs and rehabilitation costs under this subtitle;

(2) establish an application process for the issuance of tax credit certificates under this subtitle, with an emphasis on applications that promote affordable housing; and

(3) establish procedures for the approval of project phases for tax credit certificates issued under this subtitle.

§6–905.

(a) Subject to subsection (b) of this section, this subtitle and the credit authorized under it shall terminate January 1, 2031.

(b) After the termination of this subtitle:

(1) the Secretary may not issue any additional tax credit certificates under § 6–903 of this subtitle; and

(2) tax credit certificates issued may be claimed, refunded, carried forward, or transferred in accordance with §§ 6–902 and 6–903 of this subtitle.

§6–1101.

(a) In this subtitle the following words have the meanings indicated.

(b) "Community development organization" means an entity that meets the qualifications of § 6–203 of this title.

(c) "Program" means the Business Facade Improvement Program.

(d) "Qualified business" means a business that:

(1) is located in a sustainable community; and

(2) plans to improve the outside appearance of the business's building or facility.

(e) "Sustainable community" means an area designated as a sustainable community under § 6–205 of this title.

§6–1102.

(a) There is a Business Facade Improvement Program in the Department.

(b) The purpose of the Program is to assist qualified businesses with improving the outside appearance of the businesses' buildings and facilities.

(c) (1) The Department shall distribute funds from the Program to:

(i) political subdivisions that:

1. have at least one sustainable community; and

2. apply for the funds; and

(ii) community development organizations that:

1. serve at least one sustainable community; and

2. apply for the funds.

(2) The Department shall develop:

(i) an application process for applicants seeking to participate in the Program; and

(ii) criteria for:

1. rating political subdivisions and community development organizations that apply for funds; and

2. awarding funds to political subdivisions and community development organizations.

(d) (1) Each applicant that receives funds under subsection (c) of this section shall distribute grants to qualified businesses that apply for a grant.

(2) Each political subdivision and community development organization shall develop:

(i) a grant application process for qualified businesses seeking to participate in the Program; and

(ii) criteria for:

1. rating qualified businesses that apply for grants; and

2. awarding grants to qualified businesses.

(e) For fiscal year 2025 and each fiscal year thereafter, the Governor shall include in the annual budget bill or the capital budget bill an appropriation of $5,000,000 to the Program.

§6–1103.

The Department may adopt regulations to carry out this subtitle.

§6–1201.

(a) In this subtitle the following words have the meanings indicated.

(b) "Just Community" means the part of a priority funding area that, as determined by the Governor, satisfies the requirements of § 6–1203 of this subtitle.

(c) "Priority funding area" means an area designated as a priority funding area under § 5–7B–02 of the State Finance and Procurement Article.

§6–1202.

(a) The General Assembly finds that the State must have Just Communities in order to:

(1) affirmatively advance equity, civil rights, racial justice, and equal opportunity in the State;

(2) create opportunities for the improvement of communities that have been historically underserved, with anticipated benefits for the entire State; and

(3) right the wrongs of the past, when the State systematically excluded certain groups from equal participation in the benefits of public resources.

(b) It is the intent of the General Assembly that the Just Community designation be used to prioritize State funding to increase racial, economic, and health equity in the State.

§6–1203.

(a) The Governor, on the recommendation of the Secretary, may designate an area as a Just Community if the Secretary demonstrates that:

(1) 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

(2) the area has been negatively impacted by a history of:

(i) forms of legal racial segregation including redlining, exclusionary zoning, or racially restrictive covenants;

(ii) the demolition of residential neighborhoods through the use of eminent domain or State or federal funding;

(iii) a State imprisonment rate higher than 750 per 100,000 persons; or

(iv) unequal exposure to environmental and health hazards, including:

1. proximity to a federal Superfund site;

2. estimated exposure to lead–based paint; and

3. rates of asthma among adults that are higher than the 90th percentile for the State.

(b) To maintain a Just Community designation, every 5 years the Secretary shall make designation recommendations for approval by the Governor in accordance with subsection (a) of this section.

(c) At the time Just Communities are designated or renewed, the Governor shall identify State programs under which a Just Community shall receive priority for State funding.

(d) The prioritization of State funding for Just Communities under subsection (c) of this section shall not supersede other program requirements specified in State law.

§6–1301.

(a) In this subtitle the following words have the meanings indicated.

(b) "Eligible project" means:

(1) a facility and community improvement project as defined in § 6–1304 of this subtitle;

(2) a business district and neighborhood security project as defined in § 6–1305 of this subtitle; or

(3) a community–centered crime and violence intervention and prevention project as defined in § 6–1306 of this subtitle.

(c) "Program" means the Community Health and Safety Works Grant Program.

§6–1302.

(a) There is a Community Health and Safety Works Grant Program in the Department.

(b) The purpose of the Program is to provide financial assistance in the form of grants for eligible projects that improve the quality of life within and economic potential of Maryland communities by making targeted investments in crime prevention strategies to address environmental, health, or safety concerns in commercial, public, or residential areas.

§6–1303.

The Department shall:

(1) administer the Program; and

(2) adopt regulations to carry out the Program.

§6–1304.

(a) (1) In this section the following words have the meanings indicated.

(2) "Eligible applicant" means a tax–exempt nonprofit organization.

(3) (i) "Facility and community improvement project" means a physical project or a community service that:

1. makes a facility or a community–managed open space safer for residents and visitors;

2. encourages the authorized uses of a facility or a community–managed open space by individuals; or

3. supports community–led efforts to improve the appearance of a facility or a community–managed open space.

(ii) "Facility and community improvement project" includes:

1. the purchase or installation of:

A. equipment that increases the visibility of vulnerable spaces, including surveillance tools or adequate lighting for exterior doors, common areas, or hallways; or

B. landscape architectural design features, including signs, gardens, paving treatments, plantings, or other upgrades to public spaces;

2. efforts to:

A. improve sight lines within, increase visitation to, or clean public spaces; or

B. integrate landscape architectural design features into a facility or a community–managed open space in a manner that connects adjacent neighborhoods for various users while distancing the users from private areas;

3. timely removal of graffiti and use of graffiti resistance practices in collaboration with a person who specializes in the area of graffiti removal services to present a vibrant, maintained space; and

4. contracted land enhancement or groundskeeping services to maintain or clean open spaces and functional surfaces.

(b) An eligible applicant may apply for a grant under the Program for a facility and community improvement project.

(c) If an eligible applicant submits an application for a grant under the Program for a facility and community improvement project to purchase or install a network of cameras or license readers, the eligible applicant shall include with the application:

(1) a monitoring plan;

(2) evidence of a partnership with law enforcement, the governmental unit responsible for traffic enforcement for the political subdivision, and any other relevant public agencies; and

(3) a list of possible locations of cameras and license readers and a plan for providing notice of locations to property owners.

(d) The Department may award an eligible applicant who submits a complete application for financial assistance under the Program for a facility and community improvement project a grant that:

(1) is at least $25,000; and

(2) does not exceed $50,000.

§6–1305.

(a) (1) In this section the following words have the meanings indicated.

(2) (i) "Business district and neighborhood security project" means a comprehensive plan for enhancing the visual perception of safety along commercial corridors and adjacent areas.

(ii) "Business district and neighborhood security project" includes:

1. the purchase or installation of:

A. equipment that increases the visibility of vulnerable spaces, including surveillance tools, adequate lighting for exterior doors, common areas, or hallways, or pedestrian–scale street lighting in high–pedestrian–traffic areas;

B. vehicle or pedestrian control devices;

C. equipment to lock or conceal dumpsters from public access; or

D. signs, gardens, litter removal equipment, plantings, or other upgrades to public spaces;

2. efforts to:

A. take into account the needs of neighborhoods in the surrounding area to improve accessibility for all users, in compliance with Americans with Disabilities Act standards; or

B. increase citizen and merchant stewardship through organizing, education, and outreach activities that seek to engage residents and other community stakeholders to actively participate in the upkeep and improvement of residential areas and public spaces;

3. contracted cleaning or landscaping services to maintain or clean improved open spaces;

4. contracted local private security services or similar community–based programs with a specific emphasis on de–escalation and relationship building; and

5. other efforts consistent with subparagraph (i) of this paragraph.

(3) "Eligible applicant" means:

(i) a tax–exempt nonprofit organization;

(ii) a governmental unit for a political subdivision; or

(iii) an institution of higher education in collaboration with a local neighborhood association.

(b) An eligible applicant may apply for a grant under the Program for a business district and neighborhood security project.

(c) If an eligible applicant submits an application for a grant under the Program for a business district and neighborhood security project to purchase or install a network of cameras or license readers, the eligible applicant shall include with the application:

(1) a monitoring plan; and

(2) evidence of a partnership with law enforcement, the governmental unit responsible for traffic enforcement for the political subdivision, and any other relevant public agencies.

(d) The Department may award an eligible applicant who submits a complete application for financial assistance under the Program for a business district and neighborhood security project a grant that:

(1) is at least $75,000; and

(2) does not exceed $150,000.

§6–1306.

(a) (1) In this section the following words have the meanings indicated.

(2) "Community–centered crime and violence intervention and prevention project" means a comprehensive strategy that integrates partnerships and coordinated activities that:

(i) directly engage individuals who are at risk of becoming involved with or affected by violence and crime using evidence–based interventions; and

(ii) reduce crime and disorder by carefully examining the characteristics of problems in neighborhoods and applying appropriate problem–solving remedies.

(3) "Eligible applicant" means a tax–exempt nonprofit organization.

(b) An eligible applicant may apply for a grant under the Program for a community–centered crime and violence intervention and prevention project.

(c) The Department may award an eligible applicant who submits a complete application for financial assistance under the Program for a community–centered crime and violence intervention and prevention project a grant that does not exceed $250,000.

§6–1307.

(a) In this section, "Fund" means the Community Health and Safety Works Grant Program Fund.

(b) There is a Community Health and Safety Works Grant Program Fund.

(c) The purpose of the Fund is to provide financial assistance in the form of grants under the provisions of the Program for eligible projects.

(d) The Department shall administer the Fund.

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

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

(f) The Fund consists of:

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

(2) earnings from the investment of money in the Fund;

(3) interest earnings of the Fund; and

(4) any other money from any other source accepted for the benefit of the Fund.

(g) The Fund may be used only for providing financial assistance in the form of grants under the Program.

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

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

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

§6.5–101. IN EFFECT

// EFFECTIVE UNTIL JUNE 30, 2030 PER CHAPTER 74 OF 2021 //

(a) In this title the following words have the meanings indicated.

(b) "Director" means the Director of the Office of Statewide Broadband.

(c) "Office" means the Office of Statewide Broadband.

§6.5–102. IN EFFECT

// EFFECTIVE UNTIL JUNE 30, 2030 PER CHAPTER 74 OF 2021 //

(a) There is an Office of Statewide Broadband in the Department.

(b) The purpose of the Office is to ensure that every resident of the State:

(1) is supported in the adoption of reliable, universal, high–quality broadband Internet service at an affordable price; and

(2) has the tools necessary to use the Internet and take advantage of Internet resources.

§6.5–103. IN EFFECT

// EFFECTIVE UNTIL JUNE 30, 2030 PER CHAPTER 74 OF 2021 //

(a) The Governor shall appoint the Director of the Office.

(b) The Director:

(1) serves at the pleasure of the Governor; and

(2) reports to both the Secretary and the Governor.

(c) The Director shall work closely with the Secretary of Commerce and the State Superintendent of Schools to harmonize the efforts of the Office with the economic development aspects of digital infrastructure and with the needs of local education agencies.

§6.5–104. IN EFFECT

// EFFECTIVE UNTIL JUNE 30, 2030 PER CHAPTER 74 OF 2021 //

(a) The Office shall:

(1) develop definitions and standards for broadband Internet that:

(i) address current and future requirements and uses by communities, businesses, schools, health care providers, and other stakeholders;

(ii) reflect the need for a forward–looking, statewide digital communications infrastructure; and

(iii) are not at odds with definitions and standards adopted by the Federal Communications Commission;

(2) (i) collect promotional and nonpromotional pricing data directly from broadband Internet providers; and

(ii) assess the actual upload and download speeds experienced by consumers;

(3) create a statewide audit of the availability, reliability, and affordability of broadband Internet services in every county, which shall include:

(i) network performance metrics, including information on data transfer speeds, network throughput, and network latency;

(ii) a data–based evaluation, using a variety of data collection methods including community surveys and targeted outreach to traditionally underrepresented communities, of the reasons that certain residents and businesses do not have access to broadband Internet services; and

(iii) demographic information regarding communities where broadband Internet services are unavailable or unaffordable;

(4) create a website that houses a publicly accessible map that allows users to overlay GIS heat mapping comments, based on and incorporating data and information from the Federal Communications Commission, that shows, in addition to any information provided by the Federal Communications Commission:

(i) which residences do and do not have access to broadband Internet;

(ii) broadband Internet service prices and plans available in different areas; and

(iii) other available State geographic and demographic data;

(5) collect, analyze, and publicly share:

(i) geographic and demographic data regarding households that rely on mobile broadband for Internet service, based on the understanding that mobile broadband is not a substitute for in–home fixed Internet services;

(ii) data regarding the adoption and affordability of reliable broadband Internet in the State, including the average cost per average speed by county; and

(iii) data regarding investments in expanding Internet infrastructure, adoption, and speed increases;

(6) assist and support local jurisdictions in their efforts to improve access to broadband Internet, including through the development and deployment of training programs to increase residents' digital literacy;

(7) work with local jurisdictions and economic development organizations to identify areas with a demand for better Internet service;

(8) estimate and identify the amount and type of funding needed to connect residents to affordable high–speed Internet;

(9) identify and coordinate the delivery of resources to local jurisdictions for the improvement of access to broadband Internet, including by:

(i) identifying sources of funds that can be used to expand access to broadband Internet;

(ii) assisting local jurisdictions to apply for and receive funds for expanding access to broadband Internet; and

(iii) identifying and sharing data regarding local, State, and federal funds allocated or received through grants and private sector investment for investment in expanding Internet infrastructure, adoption, and speed increases;

(10) request information regarding total dollar investments in high–speed Internet from local jurisdictions, private companies, and organizations;

(11) investigate, identify, and evaluate new technologies that would increase the availability of broadband Internet service in the State;

(12) identify opportunities for productive partnerships that would enable the sharing of resources and further the goal of expanding access and connection to broadband Internet service;

(13) develop recommendations regarding policies, regulations, or legislation to improve the availability of and access to broadband Internet services in the State;

(14) review existing laws, policies, and regulations regarding access to the rights–of–way and easements of public utilities and recommend any changes the Office considers necessary to encourage the deployment of broadband Internet;

(15) support efforts to increase the digital literacy of residents, nonprofit organizations, and business owners; and

(16) collaborate with local education agencies and community colleges to ensure that students have the ability to connect to broadband Internet that allows for full engagement in remote learning without disruptive lagging and periodic disconnection.

(b) (1) Through partnerships with local jurisdictions, library systems, anchor institutions, and the private sector, the Office shall offer funding and technical assistance to help local governments and private entities:

(i) qualify for federal funding opportunities; and

(ii) plan, design, and construct broadband infrastructure.

(2) To complement other sources of funding, the Office shall work with the Community Development Administration to initiate a broadband funding structure under § 4–229 of this article.

(c) (1) On or before July 1, 2022, the Office shall:

(i) prepare a statewide plan to:

1. ensure 98% connectivity to universal, affordable, reliable broadband Internet by a date not later than December 31, 2025;

2. ensure that every resident of the State has the ability to connect to universal, affordable, reliable broadband Internet that exceeds the Federal Communications Commission standard for upload and download speeds by a date not later than December 31, 2026; and

3. establish key performance indicators relating to infrastructure, adoption, and speed; and

(ii) submit the plan to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly.

(2) In preparing the plan required under paragraph (1) of this subsection, the Office shall:

(i) solicit input from a diverse range of stakeholders, including libraries and workforce development boards;

(ii) consult with local governments, federal regulators, Internet service providers, and nongovernmental organizations involved in and working in the field of connecting communities to high–speed Internet and digital literacy;

(iii) hold at least two online listening sessions; and

(iv) receive written statements from stakeholders at a time the Office determines.

(d) In carrying out this section, the Office shall meet quarterly to collaborate with the appropriate units of State government, including the Department of Information Technology, the State Department of Education, the State Department of Transportation, the Maryland State Library, the Department of Commerce, the Department of Agriculture, the Maryland Department of Health, and the Department of Planning, and the appropriate units of local government, including the Maryland Association of Counties and the Maryland Municipal League, to ensure that efforts to expand and enhance broadband Internet services are coordinated statewide.

(e) (1) On or before December 1, 2021, and each year thereafter, the Office shall report to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly on:

(i) the progress of the State's efforts to:

1. develop and implement the plan required under subsection (c) of this section;

2. increase access and connection to broadband Internet services throughout the State with specific reporting on improvements to infrastructure, adoption, and speeds;

3. improve digital literacy among residents of the State; and

4. increase speeds to meet or exceed the Federal Communications Commission standard for upload and download speeds;

(ii) the existing gaps in connectivity and the State's progress toward closing those gaps;

(iii) the impact that gaps in Internet service have on the workforce and State and local economies;

(iv) information from local education agencies on the impact of Internet service quality on student achievement and access to 21st century opportunities;

(v) demographic data on locations with gaps in services; and

(vi) the allocation of money from, and programs supported by, the Digital Inclusion Fund, the Digital Connectivity Fund, and the Rural Broadband Assistance Fund in the preceding fiscal year.

(2) The report required under paragraph (1) of this subsection shall be published on the website established under subsection (a)(4) of this section.

§6.5–105. IN EFFECT

// EFFECTIVE UNTIL JUNE 30, 2030 PER CHAPTER 74 OF 2021 //

(a) In this section, "Fund" means the Digital Inclusion Fund.

(b) There is a Digital Inclusion Fund.

(c) The purpose of the Fund is to provide a competitive grant program to support capacity building for local governments and nonprofit organizations seeking to close the digital divide in Maryland by furthering access to high–speed Internet and to implement programs to expand digital literacy.

(d) (1) The Office shall administer the Fund.

(2) The Office shall work with other offices within the Department and the Department of Commerce to adopt regulations specifying:

(i) procedures for applying for financial assistance; and

(ii) priorities for allocating, selecting, and distributing financial assistance from the Fund.

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

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

(f) The Fund consists of:

(1) money appropriated by the State to the Fund;

(2) financial assistance provided to the State by the federal government for the Fund;

(3) interest earnings; and

(4) any other money from any other source accepted for the benefit of the Fund.

(g) (1) The Fund may be used only to distribute grants not to exceed $500,000 to local governments and nonprofit corporations that are working to further the goals of the Office, including:

(i) providing training to residents in the use of digital tools;

(ii) enhancing the capacity of communities to access government services, participate in civic matters, and pursue educational opportunities;

(iii) researching populations with low adoption rates for home Internet and computers; and

(iv) other digital inclusion or equity goals identified in the statewide plan.

(2) Money in the Fund may not be used for increasing broadband Internet infrastructure.

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

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

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

§6.5–106. IN EFFECT

// EFFECTIVE UNTIL JUNE 30, 2030 PER CHAPTER 74 OF 2021 //

(a) In this section, "Fund" means the Digital Connectivity Fund.

(b) There is a Digital Connectivity Fund.

(c) The purpose of the Fund is to assist in the establishment and expansion of affordable broadband communication services in disconnected areas and communities in the State.

(d) (1) The Office shall administer the Fund.

(2) The Office shall adopt application procedures for grants distributed from the Fund.

(3) The Office shall work with other offices within the Department and the Department of Commerce to adopt regulations specifying:

(i) procedures for applying for financial assistance; and

(ii) priorities for allocating, selecting, and distributing financial assistance from the Fund.

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

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

(f) The Fund consists of:

(1) money appropriated by the State to the Fund;

(2) financial assistance provided to the State by the federal government for the Fund;

(3) interest earnings; and

(4) any other money from any other source accepted for the benefit of the Fund.

(g) The Fund may be used only to distribute competitive grants:

(1) for planning, construction, and maintenance of broadband communication services, equipment, and activities; and

(2) to provide financial assistance to local governments to expand high–speed Internet access in disconnected communities in the State.

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

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

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

§6.5–107. IN EFFECT

// EFFECTIVE UNTIL JUNE 30, 2030 PER CHAPTER 74 OF 2021 //

(a) There is a Rural Broadband Assistance Fund in the Department.

(b) The purpose of the Fund is to assist in the establishment of broadband communication services in rural and underserved areas of the State.

(c) The Office shall administer the Fund.

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

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

(e) The Fund consists of:

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

(2) money appropriated in the State budget to the Maryland Economic Development Assistance Fund under Title 5, Subtitle 3 of the Economic Development Article for the purpose of assisting in the establishment of broadband communication services in rural and underserved areas of the State;

(3) federal money allocated or granted to the Fund;

(4) interest earnings; and

(5) any other money from any source accepted for the benefit of the Fund.

(f) The Fund may be used only for planning, construction, and maintenance of broadband communication services and equipment in rural and underserved areas and related activities.

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

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

(h) The Office shall make payments from the Fund within 30 days after notice of a decision of the Maryland Rural Broadband Coordination Board under § 13–504(3) of the Economic Development Article.

§6.5–108. IN EFFECT

// EFFECTIVE UNTIL JUNE 30, 2030 PER CHAPTER 74 OF 2021 //

(a) This section does not apply to a county or municipal corporation within the Washington Suburban Sanitary District.

(b) A county or municipal corporation may adopt, by ordinance or resolution, locally appropriate policies to advance progress of infrastructure, equipment, and systems needed to extend broadband access to underserved areas, including:

(1) expedited consideration of locally imposed permits or approvals customarily applied to comparable projects;

(2) the waiver or reduction of fees or charges customarily associated with comparable projects;

(3) using project–based or region–based authority for public–private partnerships of related projects; and

(4) measures consistent with other county laws, implemented to accelerate deployment of infrastructure and equipment necessary or desirable to promote broadband deployment into underserved areas.

§7–101.

(a) In this title the following words have the meanings indicated.

(b) "Assisted household" means one or more individuals who occupy a rental unit in an assisted project.

(c) "Assisted project" means a property that qualifies under § 7–105 of this subtitle.

(d) "Assisted unit" means a dwelling unit that is in an assisted project and is subject to regulatory requirements regarding:

(1) the rent the owner may charge; or

(2) the maximum annual income of the household occupying the unit.

(e) "Designated household" means a household that qualifies under § 7–213 of this title.

(f) "Notice of intent" means a notice of intent to take a protected action in accordance with Subtitle 2 of this title.

(g) “Owner” means a person who holds legal title to an assisted project or any mortgagee in possession, receiver, trustee, or other person that may take a protected action.

(h) “Owner’s offer” means the written offer made by the owner to parties having a right of first purchase under § 7–204 of this title.

(i) (1) “Project–based § 8 rental assistance” means federal rental assistance under § 8 of the United States Housing Act of 1937, 42 U.S.C. § 1437f, to the owner or lender of a housing project under a new construction program, a substantial rehabilitation program, a loan management assistance program, or a property disposition program.

(2) “Project–based § 8 rental assistance” does not include rental assistance made directly to a tenant under existing certificate or voucher programs.

(j) “Protected action” means a sale, conveyance, transfer, prepayment, termination, failure to renew, or expiration under § 7–102(a) of this subtitle.

(k) “Relocation expenses” means costs incurred to:

(1) hire contractors, labor, vehicles, or equipment to transport personal property;

(2) pack and unpack personal property;

(3) disconnect and reconnect utilities, such as water, telephone, gas, or electric, and to perform related services;

(4) disconnect and install personal property;

(5) insure personal property to be moved;

(6) pay rental application fees and make security deposits; and

(7) pay other costs that the Secretary determines are reasonable.

(l) “Tenant protection assistance” means payments to, and extensions of leases for, the occupant or former occupant of an assisted unit in connection with a protected action as required under § 7–212 of this title.

§7–102.

(a) Each owner of an assisted project is subject to this title if the owner takes or intends to take any of the following protected actions:

(1) the prepayment in full before the maturity date of mortgage financing that is:

(i) insured under § 221(d)(3) of the National Housing Act, 12 U.S.C. § 1715l(d)(3), and assisted under § 101 of the Housing and Urban Development Act of 1965, 12 U.S.C. § 1701s, or under § 8 of the United States Housing Act of 1937, 42 U.S.C. § 1437f;

(ii) insured under § 221(d)(3) of the National Housing Act, 12 U.S.C. § 1715l(d)(3), and bears interest at a rate determined under § 221(d)(5) of the National Housing Act;

(iii) insured or assisted under § 202 or § 236(a) or (b) of the National Housing Act, 12 U.S.C. § 1701q or 12 U.S.C. § 1715z-1(a) or (b);

(iv) insured or assisted under § 515 of the Housing Act of 1949, 42 U.S.C. § 1485; or

(v) held by the United States Department of Housing and Urban Development and insured or assisted, or formerly insured or assisted, under a program authorized by a statute referred to in item (1) of this subsection;

(2) the termination before expiration of or failure to exercise any stated renewal option under an agreement providing for project-based § 8 rental assistance for any units in an assisted project;

(3) the expiration, including a failure to extend after the expiration, of an agreement providing for project-based § 8 rental assistance to any units in an assisted project; or

(4) the sale or conveyance of an assisted project by the owner in conjunction with, or within 1 year after the effective date of, any of the events described in item (1), (2), or (3) of this subsection.

(b) Any sale, conveyance, or other transfer of an assisted project is subject to this title, including:

(1) the sale or other transfer of any general partnership interests of the owner;

(2) the sale or other transfer, in any 1 calendar year, of:

(i) more than 10% of the limited partnership interests of an owner; or

(ii) more than 10% of an owner's stock;

(3) the transfer by a beneficiary of beneficial or equitable interests under a trust in which the trustee holds title to the assisted project; and

(4) other transfer determined by the Secretary.

(c) By regulation, the Secretary shall establish standards and procedures for interested persons to be exempted from any requirement of §§ 7-203 through 7-219 of this title:

(1) if Title II of the Housing and Community Development Act of 1987, 12 U.S.C. §§ 4101 through 4124, continues, is amended, or is extended, or if a successor federal law is enacted; and

(2) to diminish the burdens of dual regulation or to prevent inconsistent or inequitable application of federal and State law.

(d) This title does not apply to an assisted project if:

(1) before any protected action, the owner or purchaser records, in a form satisfactory to the Secretary, a covenant running with the land on which the assisted project is located that preserves the existing low-income rental restrictions of the federal housing program:

(i) for the term remaining as of the date of prepayment of any mortgage described under subsection (a)(1) of this section; and

(ii) for the term remaining as of the date of termination, including all stated and unexercised renewal terms, of any rental assistance agreement described under subsection (a)(2) of this section or, if greater, for 5 years; or

(2) the sale or conveyance of the assisted project:

(i) is subject to continuation of the existing mortgage financing described under subsection (a)(1) of this section; and

(ii) occurs before the date of a termination, failure to renew, or expiration of project-based § 8 rental assistance described under subsection (a)(2) of this section.

§7–103.

The Secretary shall adopt regulations to carry out this title.

§7–104.

A household qualifies as an assisted household if its gross annual income does not exceed:

(1) upper income limits imposed by any federal, State, or local government program providing financial assistance to the assisted project; or

(2) upper income limits that the Secretary establishes, which may vary for a particular project or a particular area of the State to the extent necessary to achieve the purposes of this title.

§7–105.

A property qualifies as an assisted project if:

(1) it is a building or buildings under common ownership containing 10 or more dwelling units intended to be leased to assisted households for occupancy as their primary residences; and

(2) (i) a loan financing the property is insured or assisted under § 221(d)(3), § 202, or § 236(a) or (b) of the National Housing Act, 12 U.S.C. § 1701q, § 1715l(d)(3), or § 1715z-1, or § 515 of the Housing Act of 1949, 42 U.S.C. § 1485; or

(ii) the project, the owner of the project, or a lender to the project receives project-based § 8 rental assistance.

§7–106.

This title does not reduce any obligation or right of a tenant, political subdivision, or owner under Title 11 of the Real Property Article.

§7–201.

(a) The owner of an assisted project shall give written notice of intent not less than 1 year and not more than 2 years before the effective date of the protected action.

(b) The owner shall give the notice of intent to:

(1) the chief executive officer of each political subdivision in which the assisted project is located;

(2) each public housing authority in a political subdivision in which the assisted project is located;

(3) each tenant association that represents a rental unit in the assisted project, if the tenant association has given the owner the title and mailing address of a representative to receive the notice of intent;

(4) each assisted household of the assisted project; and

(5) the Secretary, who shall notify every other person who has requested the notice of intent.

§7–202.

(a) A notice of intent, other than one sent to an assisted household, shall:

(1) state that the owner intends to begin or allow a protected action;

(2) give enough information so that the Department can decide whether the proposed protected action will be lawful on its effective date;

(3) state the expected impact of the protected action during the 3 years after the proposed action on:

(i) rents in the assisted project; and

(ii) continued occupancy in the assisted project by existing assisted households;

(4) give the information about the assisted project from the most recent tenant recertification documents required by the United States Department of Housing and Urban Development, the United States Department of Agriculture, or the Department of Housing and Community Development on:

(i) the number of assisted households;

(ii) the number of assisted units by number of bedrooms;

(iii) the distribution of assisted households by race, gender, income, and family size;

(iv) the number of households with elderly individuals or individuals with disabilities; and

(v) the number of households with minors;

(5) give financial information on the assisted project for the 3 years before the notice of intent that is:

(i) required by the Department; and

(ii) based on financial information kept by the owner; and

(6) include a list, based on information that is reasonably available, of all households in the assisted project whose leases were terminated in the 180 days before the notice of intent.

(b) A notice of intent sent to an assisted household shall contain:

(1) a brief summary of the protected action;

(2) a brief statement of the expected impact of the protected action on rents and on the existing assisted household's continued occupancy during the 5 years after the protected action;

(3) a brief summary statement of the assisted household's rights and obligations under this title;

(4) a statement that each political subdivision in which the assisted project is located, a local public housing authority, and the Department may have additional information about the protected action and sources of technical assistance and financing for the exercise of a right of first purchase under this title;

(5) the name, address, and phone number of the owner's agent to whom the assisted household may apply for tenant protection assistance under this title; and

(6) any other information the Secretary considers necessary to further the purposes of this title.

§7–203.

(a) An owner may not take a protected action unless the owner has provided all tenant protection assistance required by this title.

(b) Before a sale or conveyance of an assisted project that is a protected action, the owner shall offer the right of first purchase in accordance with this subtitle.

§7–204.

(a) (1) The owner shall offer the right of first purchase by written notice to:

(i) each political subdivision in which the assisted project is located;

(ii) each local public housing authority;

(iii) each group that represents tenants at the assisted project and has registered with the Secretary;

(iv) each low-income housing developer that has registered with the Secretary and is exempt from taxation under § 501(a) of the Internal Revenue Code; and

(v) any other person that has experience in the ownership or operation of low-income housing projects, is unrelated to the owner, and has registered with the Secretary.

(2) The owner shall deliver the offer:

(i) with or after the notice of intent; and

(ii) to a person registered with the Secretary within 10 days after the Secretary gives the owner the title and mailing address of the person.

(3) The owner shall deliver a copy of the offer to the Department.

(b) The owner's offer shall include:

(1) the terms of the offer, including:

(i) the date of the offer;

(ii) the purchase price, as determined under § 7-205(b) of this subtitle;

(iii) a date for settlement, which must be 1 year or more after the later of:

1. the date of the owner's offer; and

2. the date of the notice of intent;

(iv) a provision stating that:

1. the buyer's obligation is contingent on the buyer's obtaining financing; and

2. the contingency will not expire before the settlement;

(v) a requirement that the first $10,000 of any deposit by the purchaser be nonrefundable, except as provided in § 7-205(c)(1)(iii) of this subtitle; and

(vi) other terms determined under § 7-205(b) of this subtitle; and

(2) a summary of the procedures and timing to exercise the right of first purchase, as specified in this subtitle and in any departmental regulations.

(c) The date of the owner's offer is the date on which it is delivered to the last political subdivision to which it must be delivered.

§7–205.

(a) In this section, "fair market value" means the price that a willing buyer would pay a willing seller, neither under any compulsion to buy or to sell, for a residential rental project, assuming:

(1) the highest and best use under current zoning; and

(2) no requirements to rent to low-income tenants other than the requirements of any federal law, § 7-214 of this subtitle, or other State law, local law,

governmental program, agreement, covenant, or restriction that will continue to affect the project after sale or conveyance.

(b) (1) Except as required under § 7-204(b) of this subtitle, if the owner receives an offer to purchase the assisted project in the form of a binding purchase contract from an unrelated bona fide purchaser, the terms of the owner's offer shall be substantially the same as those offered by the bona fide purchaser, including purchase price, terms of payment, financing contingencies, and assumable or purchase money financing.

(2) If the owner has not received an offer that qualifies under paragraph (1) of this subsection:

(i) the purchase price of the owner's offer shall be the lesser of:

1. the purchase price of any offer that does not qualify under paragraph (1) of this subsection; and

2. the fair market value of the property as determined under subsection (d) of this section;

(ii) the owner's offer shall be accompanied by a written appraisal of the fair market value of the assisted project prepared in accordance with subsection (d) of this section; and

(iii) the remaining terms of the purchase contract:

1. shall be as required under § 7-204(b) of this subtitle;

2. shall otherwise conform to terms that are accepted as reasonable in that market; and

3. are subject to final review by the Department.

(c) (1) (i) Any party identified in § 7-204(a) of this subtitle may accept the owner's offer within 120 days after the date of the owner's offer.

(ii) If more than one party submits a timely acceptance of the owner's offer, the Secretary shall select as purchaser the party that, in the Secretary's discretion, the Secretary determines will most benefit the assisted households.

(iii) The owner shall return the entire deposit made by each party whose offer was not accepted.

(2) If a party that has accepted the owner's offer withdraws the acceptance, any remaining party identified in § 7-204(a) of this subtitle may accept the owner's offer in accordance with paragraph (1) of this subsection within:

(i) 120 days after the date of the offer; or

(ii) 60 days after the acceptance is withdrawn.

(3) The acceptance shall be followed by settlement of the purchase of the assisted project by the owner's stated closing date or any extension agreed to by the owner.

(d) (1) (i) If the owner is required by subsection (b)(2) of this section to submit an appraisal, acceptance of the owner's offer made under this subtitle may state an adjusted purchase price based on an alternate fair market value.

(ii) The alternate fair market value shall be supported by a written appraisal prepared by an appraiser selected by the purchaser and delivered to the owner.

(2) If the owner objects to the adjusted purchase price, the owner and the purchaser may:

(i) set the purchase price at the average of the fair market values each party has obtained by appraisal; or

(ii) have the two appraisers select a third appraiser, whose fee shall be shared equally, and whose fair market value shall be binding.

(3) Each appraiser who submits an appraisal under this subtitle must be a member in good standing of the American Institute of Real Estate Appraisers or the Society of Real Estate Appraisers.

§7–206.

(a) This section applies if the owner's offer is not accepted and the acceptance period under § 7-205(c) of this subtitle has expired.

(b) The owner may sell or convey the assisted project to any person on terms and conditions not more favorable to the purchaser than those of the owner's offer.

(c) The owner may sell or convey the assisted project on terms and conditions more favorable to the purchaser than those of the original offer under this subtitle only after the owner again offers the right of first purchase as required by this subtitle based on the new terms and conditions.

§7–207.

(a) This section applies if:

(1) none of the parties identified in § 7-204(a) of this subtitle exercises the right of first purchase;

(2) the assisted project has not been conveyed in accordance with § 7-206 of this subtitle; and

(3) the owner has not taken a protected action within 2 years after the original notice of intent.

(b) (1) Before taking a protected action, the owner shall serve another notice of intent on each party identified in § 7-201(b) of this subtitle.

(2) Before taking a protected action under § 7-102(a)(4) of this title, the owner shall serve notice of a right of first purchase as required by this subtitle.

§7–208.

(a) At the settlement for an assisted project under a right of first purchase, the purchaser shall execute and record, in a form that the Secretary approves, a covenant running with the land.

(b) The covenant shall restrict the use of all assisted units to residential rental property for assisted households, or to some other purpose approved by the Secretary, for at least the greatest of:

(1) the remaining term of the mortgage as of the date of its prepayment;

(2) the remaining term of the rental assistance agreement, including all stated renewal terms, as of the date of its termination; and

(3) 20 years.

§7–209.

A right of first purchase under this subtitle may be assigned only to another party having the right of first purchase under this subtitle.

§7–210.

(a) A political subdivision or a housing authority may exercise a right of first purchase under this subtitle and may develop, acquire, improve, own, operate, and manage a rental housing project acquired under the right of first purchase and do all things necessary or convenient to exercise these rights.

(b) In any rental housing project purchased under a right of first purchase under this subtitle and owned or managed by a housing authority authorized under Division II of this article, this subtitle supersedes:

(1) §§ 12-401, 12-402, and 12-405 of this article; and

(2) all otherwise applicable restrictions on tenant income under Division II of this article.

§7–211.

The right of first purchase under this subtitle does not apply to the prepayment of a mortgage and sale of an assisted project if the prepayment and sale are done under a plan of action approved by the Secretary of Housing and Urban Development under § 225 of the Housing and Community Development Act of 1987, 12 U.S.C. § 4107.

§7–212.

(a) An owner that gives notice of intent shall provide tenant protection assistance under subsection (b) of this section unless:

(1) the owner has offered the right of first purchase in accordance with this subtitle; and

(2) the assisted project is purchased by a party listed in § 7-204(a) of this subtitle in conjunction with a protected action.

(b) Tenant protection assistance consists of:

(1) paying each assisted household $475 on or before the day that the assisted household vacates the unit;

(2) reimbursing each assisted household for relocation expenses exceeding $475 and up to $950, actually and reasonably incurred; and

(3) offering each assisted household that is current in its rent and has not violated any other material term of its lease, a lease extension for at least 1 year from the giving of the notice of intent.

(c) (1) Except as provided in paragraph (2) of this subsection, the periodic rent during the extended lease under subsection (b)(3) of this section may not exceed the amount that the assisted household must contribute for periodic rent under the assisted household's current lease.

(2) The periodic rent may be increased only on the anniversary of the assisted household's current lease, and the increase may not exceed the lesser of:

(i) the increase allowed by applicable federal, State, or local law; and

(ii) the product of the amount the household must contribute for periodic rent for the preceding year multiplied by the percentage increase for the U.S. Consumer Price Index that the Secretary selects for the most recent 12-month period.

(3) Except as allowed or required by the Secretary, all other terms and conditions governing the extended lease shall be the same as those of the lease in effect on the day preceding the giving of the notice of intent.

§7–213.

An assisted household is a designated household if it includes:

(1) an individual who has been a member of the household for at least 12 months before the notice of intent is given and who:

(i) is at least 62 years old on the day that the notice of intent is given; or

(ii) qualifies as a person with disabilities under § 3(b)(3) of the United States Housing Act of 1937, 42 U.S.C. § 1437f; or

(2) a minor.

§7–214.

(a) (1) This subsection applies if a protected action affects a unit occupied by a designated household that:

(i) is current in its rent and has not violated any other material term of the lease;

(ii) within 60 days after the giving of the notice of intent, provides the owner with written notice showing that the household qualifies as a designated household and stating that the household is applying for an extended lease under this section; and

(iii) executes the extended lease form delivered in accordance with § 7-216(a)(2) of this subtitle and returns it to the owner within 60 days after the giving of the notice of intent.

(2) Except for a protected action under § 7-102(a)(3) of this title, an owner may not take a protected action that affects a unit in an assisted project occupied by a designated household without offering to the designated household an extended lease for at least 3 years beginning on the day of the giving of the notice of intent.

(b) (1) The owner shall set aside at least 20% of the assisted units in an assisted project for designated households to receive extended leases under this subtitle.

(2) If the number of assisted units occupied by designated households that meet the standards of subsection (a) of this section exceeds 20% of the assisted units, the owner shall allocate the available units:

(i) first to designated households with an individual described under § 7-213(1) of this subtitle with priority based on length of continuous residence; and

(ii) then to designated households that do not contain such an individual but include a minor, based on length of continuous residence.

§7–215.

If an assisted project includes a unit occupied by a designated household and the assisted project is sold or conveyed after a protected action:

(1) the provisions of this subtitle concerning extended leases continue to apply despite the sale or conveyance;

(2) the new landlord shall provide each designated household with written notice of the sale or conveyance; and

(3) on or before the execution of a contract of sale, the seller shall provide the purchaser with written disclosure of each unit occupied by a designated household subject to the provisions concerning extended leases for designated households.

§7–216.

(a) Along with the notice of intent, the owner shall deliver to each assisted household:

(1) an application form on which the assisted household may include the information required by § 7-214(a) of this subtitle;

(2) an extended lease form for a designated household that contains the terms required by this subtitle and clearly indicates that the lease will be effective only if:

(i) the assisted household executes and returns the lease form within 60 days after the giving of the notice of intent; and

(ii) the assisted household is allocated one of the units made available to designated households, based on its ranking under § 7-214(b) of this subtitle and the number of assisted households executing and returning leases; and

(3) a notice that sets forth the rights and obligations of the assisted household under the provisions of this subtitle concerning extended leases for designated households.

(b) Within 75 days after the giving of the notice of intent, the owner shall notify each assisted household that submits the documentation required by § 7-214 of this subtitle:

(1) whether the household meets the standards of § 7-214 of this subtitle, or, if not, an explanation of which standards have not been met; and

(2) whether the extended lease has become effective.

(c) (1) (i) An extended lease for a designated household shall be for a term beginning on acceptance and ending at least 3 years after the giving of the notice of intent.

(ii) The initial periodic rent for the extended lease may not exceed the amount the household is required to contribute for rent under the household's current lease.

(2) The periodic rent may be increased only on the anniversary of the assisted household's extended lease, and the increase may not exceed the product of the amount the household must contribute for periodic rent for the preceding year multiplied by the percentage increase for the U.S. Consumer Price Index that the Secretary selects for the most recent 12-month period.

(3) Except as otherwise provided in this section, the extended lease shall contain the same terms and conditions as the lease in effect on the day before the giving of the notice of intent.

§7–217.

Within 75 days after giving the notice of intent, the owner shall provide to each party required to receive the notice of intent:

(1) a notice indicating the number of units in the assisted project being made available to designated households under § 7-214(b) of this subtitle;

(2) a list of the households meeting the standards of § 7-214(a) of this subtitle, indicating the ranking of each under § 7-214(b) of this subtitle;

(3) a list of the households returning the documents required by § 7-214(a) of this subtitle that do not meet all of the standards of that subsection and copies of the notices sent to those households under § 7-216(b) of this subtitle; and

(4) a list of the households with effective extended leases.

§7–218.

(a) (1) A designated household may terminate an extended lease at any time by giving written notice to the landlord:

(i) at least 1 month in advance, if less than 12 months remain on the lease; or

(ii) at least 3 months in advance, if 12 months or more remain on the lease.

(2) An extended lease for a designated household under this subtitle shall include the termination provisions of this section.

(b) The extended tenancy of a designated household ends:

(1) 90 days after the last member of the assisted household who lived in the unit on the date of the notice of intent dies or moves from the unit;

(2) on eviction for failure to pay rent or for violation of another material term of the extended lease; or

(3) on voluntary termination by the designated household under subsection (a) of this section.

§7–219.

(a) This section applies if a protected action involves substantial rehabilitation or reconstruction that does not allow continued occupancy of a unit because of danger to the health and safety of the household.

(b) (1) The owner shall give notice of the reconstruction or rehabilitation at least 1 year before the date when the unit must be vacated.

(2) The notice shall explain the household's rights under this section.

(c) (1) To allow work to be performed in a unit, a designated household with an extended lease under § 7-216 of this subtitle may be required to:

(i) vacate the unit not earlier than 1 year after the giving of the notice of intent; and

(ii) relocate at the expense of the owner to a comparable unit in the assisted project.

(2) (i) If a comparable unit is not available, the designated household may be required to vacate the assisted project until the work is completed.

(ii) When the work is completed, the owner shall notify the designated household of the completion of the work.

(iii) The designated household has 30 days to return to the original or a comparable rental unit after the owner notifies the designated household that the work is completed.

(iv) The term of the extended lease begins when the designated household returns to the assisted project.

(3) The owner shall pay all reasonable relocation expenses of a designated household required as a result of subsection (d) of this section.

(d) (1) The owner shall pay relocation expenses in accordance with § 7-212(b)(2) of this subtitle on or before the date when the designated household vacates the unit.

(2) The owner shall also reimburse a designated household that returns to its unit under subsection (c)(2) of this section for its relocation expenses in accordance with § 7-212(b) of this subtitle.

(e) (1) In accordance with the schedule of fair market rents of the United States Department of Housing and Urban Development in effect on the moving date, within 15 days after that date, the owner shall pay compensation equivalent to 3 months' rent for a unit of comparable size and quality to each designated household eligible under this subsection.

(2) A designated household is eligible for compensation under this subsection if it:

(i) is current in its rent payments and has not violated any other material term of its lease;

(ii) includes an individual described under § 7-213(1) of this subtitle and:

1. does not have an extended lease; or

2. cannot have an extended lease because the number of assisted units set aside under § 7-214(b) of this subtitle is less than the number of qualified households; or

(iii) otherwise qualifies for an extended lease but is required to vacate its unit under subsection (c)(2) of this section.

§7–220.

(a) (1) After notice and public hearing, a political subdivision may find that, because of a protected action, a low-income and moderate-income rental housing emergency exists in all or part of its jurisdiction.

(2) The political subdivision shall make findings as to:

(i) the nature and incidence of protected actions;

(ii) the resulting hardship to and displacement of tenants; and

(iii) the scarcity of low-income and moderate-income rental housing.

(b) (1) Except as provided in paragraph (2) of this subsection, on finding that there is an emergency under this section, a political subdivision may enact a law, ordinance, or regulation to:

(i) grant to a designated household a right to an extended lease for a period in addition to that granted under § 7-214 of this subtitle; or

(ii) extend any other provision of this subtitle concerning extended leases.

(2) A political subdivision may not require that:

(i) more than 20% of assisted units in an assisted project be set aside for extended leases for designated households; or

(ii) the term of an extended lease for any household made a designated household by the political subdivision exceed 3 years.

(3) The political subdivision may require that the notice required under § 7-216(a)(3) of this subtitle be modified to disclose the effects of any actions taken under this section.

(c) Within 10 days after enacting a law, ordinance, or regulation in accordance with this section, a political subdivision shall send a copy to the Secretary of State and the Secretary of Housing and Community Development.

§7–301.

In connection with a protected action, each tenant shall cooperate with the owner in providing information necessary to certify eligibility for housing subsidy payments and in executing all necessary documents.

§7–302.

(a) A tenant may not:

(1) waive or assign the tenant's rights under this title; or

(2) receive consideration to relinquish rights under this title.

(b) A waiver or relinquishment made in violation of this section is void.

§7–303.

If a new tenant moves into an assisted unit after a notice of intent is given, the owner shall give the new tenant written notice that:

(1) sets forth any rent increase that the owner plans after the protected action; and

(2) states that the new tenant will not be entitled to tenant protection assistance.

§7–304.

Before taking a protected action, an owner may not terminate without cause the leasehold interest of a tenant occupying an assisted unit to avoid the owner's obligations under this title.

§7–305.

(a) In this section, "excess rent" means rent that exceeds the rent payable by a tenant under the tenant's lease as of the date of the notice of intent, adjusted as allowed under § 7-212(c) of this title.

(b) Until 1 year has passed since the owner gave notice of intent, and the owner complies with the requirements of this title, nonpayment of excess rent is not grounds for an owner to:

(1) terminate a lease of an assisted unit; or

(2) sue for possession of the leased property.

§7–306.

(a) In connection with a protected action, an owner:

(1) may not terminate or alter the terms and conditions of a lease entered into before the effective date of the protected action;

(2) may not interfere with the efforts of individual tenants to obtain housing subsidies or other public assistance;

(3) may not discriminate based on source of income or receipt of a housing subsidy;

(4) may not interfere with the rights of a tenant to occupy an assisted unit under an existing lease or applicable federal, State, or local law; and

(5) shall cooperate with a tenant to execute all necessary documents to enable the payment of housing subsidies to or for the tenant.

(b) If the owner has interfered with a tenant's application for a housing subsidy or other public assistance, the nonpayment of any amount of rent for an assisted unit in excess of 30% of the tenant's income is not grounds for the owner to terminate the lease or sue for possession of the leased property.

§7–307.

The person responsible for the closing of a real estate transaction shall file with the Department a written statement, made and signed by the owner under the penalties of perjury, that the transaction complies with this title, if the transaction includes:

(1) a sale or conveyance of an assisted project or the real property associated with it, and:

(i) is a protected action; or

(ii) occurred within 10 years after a protected action for which the owner failed to comply with this title; or

(2) a release of:

(i) a mortgage secured by an assisted project; or

(ii) a regulatory agreement or other document executed in connection with the mortgage that restricts the income levels of the tenants or the rental rates of the assisted project.

§7–401.

This title may be enforced at law or in equity by:

(1) the Department;

(2) an assisted household in occupancy when the owner delivered or should have delivered a notice of intent;

(3) a political subdivision where the assisted project is located; or

(4) the public housing authority.

§7–402.

To enforce this title, a court may enjoin an action:

(1) prohibited by this title; or

(2) taken before preliminary actions required by this title have been completed.

§7–403.

A violation of this title is within the scope of the enforcement duties and powers of the Division of Consumer Protection of the Office of the Attorney General under Title 13 of the Commercial Law Article, if the violation results in:

(1) displacement of a tenant or former tenant from an assisted unit;

(2) increased rents for a tenant or former tenant of an assisted unit; or

(3) another violation of the rights of a tenant or former tenant of an assisted unit.

§7–404.

(a) (1) A person may not knowingly make or cause to be made a false statement or report in a document that is required to be submitted under this title.

(2) A person may not knowingly make or cause to be made a false statement or report to influence the action of the Department in connection with this title.

(b) A person who violates this title is subject to civil liability and to a civil penalty not exceeding $1,000,000.

§7–501.

This title is the Assisted Housing Preservation Act.

§8–101.

(a) In this title the following words have the meanings indicated.

(b) "Community action agency" means:

(1) a governmental unit in a political subdivision;

(2) a governmental unit created by a combination of political subdivisions;

(3) an agency designated as a community action agency under the Economic Opportunity Act of 1964 as amended by the Community Services Block Grant Program, 42 U.S.C. §§ 9901 through 9926; or

(4) a private, nonprofit organization that meets the requirements for designation as a community action agency.

(c) "Designation" means the selection of a proposed community action agency by a governing body.

(d) "Governing body" means:

(1) the county council, board of commissioners, or other legislative body of a political subdivision that collectively possesses the power to adopt and carry out local laws and ordinances; or

(2) in Baltimore City, the Board of Estimates.

§8–102.

The General Assembly finds that the economic and social well–being of State residents is intrinsic to the strength and viability of the State as a whole.

§8–103.

The purposes of this title are to:

(1) strengthen the ability of communities to plan and coordinate available federal, State, local, and private resources by making the resources more responsive to local needs and conditions; and

(2) strengthen, supplement, and coordinate efforts to combat the causes and problems of poverty in the State by:

(i) mobilizing resources of private and public economic entities to increase opportunities for low–income State residents to develop skills, knowledge, and capabilities;

(ii) developing the full potential of low–income State residents so that everyone can live in decency and dignity and achieve individual and family self–sufficiency; and

(iii) promoting the development, evaluation, and use of new approaches to attack the causes and problems of poverty.

§8–104.

(a) A political subdivision may designate a community action agency to serve a community within the political subdivision or may change or revoke a designation by:

(1) an act, an ordinance, or a resolution of its governing body; or

(2) an order of its chief executive, if the chief legal officer certifies in writing that the chief executive has power to make the designation.

(b) (1) The governing body shall notify the public and hold a public hearing before a designation is made, changed, or revoked.

(2) A transition or close-down plan shall accompany the notification of a proposed change or revocation of a designation.

(c) A change in or revocation of a designation takes effect at the start of the State fiscal year.

§8–105.

(a) (1) A community action agency shall administer its programs through a community action board.

(2) A community action board shall meet the requirements for a tripartite board under 42 U.S.C. § 9910.

(b) If a community action agency is a governmental unit:

(1) its community action board may serve as an advisory body; and

(2) with the approval of the governing body, the governmental unit may delegate to the community action board any of its powers or responsibilities under this title.

§8–106.

(a) (1) A community action agency may accept and administer:

(i) financial assistance received under this title;

(ii) money and contributions from private or local public sources for community action programs;

(iii) money from State or federal assistance programs under which a public or private nonprofit organization may act as a grantee, contractor, or sponsor of projects suitable for community action programs; and

(iv) federal money from federal block grants previously designated as antipoverty money, subject to applicable federal law.

(2) A community action agency may transfer money and delegate responsibility to a subsidiary board, council, or similar agency for projects designed to further community action program objectives.

(b) Responsibility for making policy determinations, including the characters, funding, extent, and administration of and budgeting for programs or projects affecting a particular geographic area in a community may be delegated by a community action agency to a subsidiary board, council, or similar agency if the subsidiary body is broadly representative of the area.

§8–107.

(a) A community action agency shall plan systematically for an effective community action program, and in doing so shall:

(1) evaluate information on the causes and problems of poverty in the community;

(2) assess the use and impact of current financial assistance; and

(3) establish priorities among projects, activities, and target areas to achieve the best and most efficient use of resources.

(b) A community action agency shall:

(1) encourage subsidiary boards, councils, and agencies engaged in projects related to a community action program to plan for, secure, and administer available financial assistance on a cooperative basis; and

(2) provide technical and organizational assistance to the subsidiary boards, councils, and agencies.

(c) A community action agency shall actively supplement local efforts to combat poverty by:

(1) focusing resources on the most needy;

(2) providing employment opportunities for low–income persons;

(3) closing service gaps; and

(4) enabling low–income persons to participate in community action programs and projects.

(d) A community action agency shall initiate and sponsor community projects to help meet the needs of low–income persons with particular emphasis on:

(1) establishing a pool of resources to serve a variety of community action programs;

(2) developing versatile approaches and services; and

(3) implementing stopgap measures pending the expansion or modification of community action programs.

(e) A community action agency shall:

(1) establish procedures for community residents to:

(i) influence the character of their community action programs; and

(ii) participate regularly in implementing those programs; and

(2) provide the necessary technical and advisory support to enable low–income persons and community groups to secure public and private financial assistance for themselves.

(f) A community action agency shall join with and encourage business, labor, and other private or public officials and organizations to support community action programs that:

(1) use private resources and capabilities for new employment opportunities;

(2) stimulate investments that measurably reduce poverty in areas of concentrated poverty; and

(3) provide residents in those areas with methods to work with private organizations, firms, and institutions to seek solutions to problems of common concern.

§8–107.1. IN EFFECT

// EFFECTIVE UNTIL SEPTEMBER 30, 2027 PER CHAPTER 725 OF 2022 //

(a) Subject to the appropriation of funding in accordance with subsection (c) of this section, during fiscal years 2024, 2025, and 2026, Southern Maryland Tri–County Community Action Committee, Inc., United Communities Against Poverty, Inc., and Community Assistance Network, Inc., in collaboration with the appropriate local health department, shall make available feminine hygiene products, as defined in § 4–2401 of this article, in an amount sufficient to meet the needs of the woman obtaining the feminine hygiene products.

(b) Southern Maryland Tri–County Community Action Committee, Inc., United Communities Against Poverty, Inc., and Community Assistance Network, Inc. may not require payment for the feminine hygiene products made available under subsection (a) of this section.

(c) For fiscal years 2024, 2025, and 2026, the Governor shall include in the annual budget bill funding in an amount estimated to be sufficient for providing feminine hygiene products as required under this subsection.

(d) On or before December 1, 2026, the Department shall report to the General Assembly, in accordance with § 2–1257 of the State Government Article, on the implementation of this section and any findings and recommendations.

§8–108.

The Secretary may provide financial assistance to designated community action agencies in accordance with distribution standards set by regulation.

§8–109.

(a) The Secretary shall adopt regulations to carry out this title.

(b) The regulations shall include provisions that:

(1) ensure that each designated community action agency receives at least as much federal money as the community action agency received in federal fiscal year 1994, unless the federal funding is reduced; and

(2) allocate remaining federal money to those community action agencies that received a lesser share of program federal money in federal fiscal year 1994 than they would have received based on the number of persons in the local jurisdiction with household income below the poverty line set by the federal Office of Management and Budget as a percentage of the number of persons in the State with household income below that line.

(c) (1) By regulation, the Secretary shall adopt standards for distributing financial assistance under § 8–108 of this title.

(2) The distribution standards shall include the percentage of persons in poverty, based on the most current census population information.

(3) The distribution standards may address specific problems in rural communities, minimum financing necessary to maintain program operations, and the potential for additional local and private financing.

§8–110. IN EFFECT

// EFFECTIVE UNTIL JUNE 30, 2032 PER CHAPTER 288 OF 2025 //

For each of fiscal years 2027 through 2030, the Governor shall include in the annual budget bill an appropriation of $250,000 to the Department to be used solely as an operating grant to eligible community action agencies.

§9–101.

(a) In this title the following words have the meanings indicated.

(b) “Board” means the Community Reinvestment Board.

(c) "Community reinvestment assistance" means a loan, assurance, guarantee, grant, payment, credit enhancement, or other assistance provided by the Fund as set forth in § 9-404 of this title, or a commitment to provide the assistance.

(d) "Community reinvestment project" means a project or program eligible under § 9-402 of this title to receive community reinvestment assistance from the Fund.

(e) "Fund" means the Community Reinvestment Fund.

(f) "Limited income household" means a household or individual whose income does not exceed the upper income limits that the Secretary establishes.

(g) "Member" means a member of the Board.

§9–102.

(a) The General Assembly finds that:

(1) some communities and neighborhoods in the State are in economic and social distress because of a shortage of significant private investment;

(2) financial institutions in the State are recognizing a heightened responsibility to provide financial assistance to these communities and neighborhoods; and

(3) federal and State regulators are requiring more community reinvestment by these financial institutions.

(b) The General Assembly therefore finds that the public interest is served by promoting the development of a financial vehicle to be operated by private financial institutions to:

(1) increase community reinvestment to neighborhoods and communities in the State that have urgent need for reinvestment;

(2) make community reinvestment by financial institutions easier and more desirable by spreading the financial risk and offering the experience of the State in providing community reinvestment lending; and

(3) forge partnerships among financial institutions and the State in meeting community reinvestment goals.

§9–201.

There is a Community Reinvestment Board.

§9–202.

(a) (1) The Board consists of at least 17 members.

(2) The Secretary of the Department of Housing and Community Development and the Secretary of Commerce or their designees are nonvoting members.

(3) The Governor shall appoint at least 15 voting members.

(b) (1) Subject to the requirements of this subsection, the voting members shall be appointed and removed in accordance with the organizational documents of the Fund.

(2) At least two–thirds of the voting members shall represent:

(i) the commercial banking or savings institution industry in the State or other participants that have pledged or contributed money or other substantial assistance to the Fund; or

(ii) trade organizations consisting of or otherwise representing two or more members of the commercial banking or savings institution industry in the State or other participants that have contributed money or other substantial assistance to the Fund.

(3) At least 20% of the voting members shall represent community groups or other entities that may be eligible to receive community reinvestment assistance.

(4) The majority of voting members shall represent the groups described in paragraph (2)(i) of this subsection.

(c) A member of the Board may be a director or member or may have some other legal status required by or appropriate to the type of entity constituting the Fund.

(d) (1) The term of a voting member may not exceed 3 years.

(2) A voting member may be reappointed.

§9–203.

The Board shall set the times and places of its meetings.

§9–204.

(a) Subject to the requirements of this title, the organizational documents of the Fund shall govern the operation of the Board, including quorum and voting requirements.

(b) The Board has all powers arising from the documents and procedures creating and organizing the Fund as an independent legal entity.

(c) The Board shall:

(1) operate the Fund;

(2) keep proper records of the Board's accounts;

(3) establish standards and guidelines for:

(i) the terms and conditions of community reinvestment assistance and other Fund reinvestments; and

(ii) allocating community reinvestment assistance and other Fund investments;

(4) apportion among Fund transactions the operating costs of the Fund; and

(5) within the first 90 days of each fiscal year, make an annual report of Fund activities to the Governor and, subject to § 2–1257 of the State Government Article, to the General Assembly.

(d) (1) The Board shall appoint a loan committee to review and make determinations on specific requests or categories of requests for community reinvestment assistance to community reinvestment projects.

(2) The loan committee may review and make recommendations to the Board on other matters as the Board determines, including eligibility guidelines and financing policies for community reinvestment projects.

(3) The loan committee consists of:

(i) the Secretary of Housing and Community Development and the Secretary of Commerce or their designees as nonvoting members; and

(ii) the voting members that the Board appoints or their designees.

§9–301.

(a) There is a Community Reinvestment Fund.

(b) The purpose of the Fund is to administer the use and reinvestment of money that may be credited, paid, or otherwise transferred to the Fund from any entity approved by the Board to participate in the Fund, including a bank, savings institution, or other financial institution.

§9–302.

(a) (1) The Fund is a private, independent legal entity to be assisted by the Department under this title and is not a governmental unit of the State.

(2) Any dividends, royalties, or other earnings received from community reinvestment assistance, or from any other investment made by the Board under this title, is money of the Fund, and is not money of the State.

(b) Except as specified in this title, the organization and operation of the Board and the Fund are not subject to approval by the Board of Public Works or by any State official or unit.

(c) A member, employee, or agent of the Board or the Fund is not a State official by virtue of any status with or action for the Fund.

§9–303.

(a) The Board shall determine the form of the independent legal entity constituting the Fund in accordance with the organizational documents of the Fund.

(b) In accordance with the organizational documents of the Fund, an entity contributing money to the Fund may be entitled to receive:

(1) interests in the Fund in proportion to the entity's contribution, in an amount and in a form that the Board determines; and

(2) a return on its contribution to the Fund based on:

(i) the entity's share; and

(ii) a fixed rate of return or the amount of any dividends, royalties, or other earnings of the Fund, or on another formula and in a form that the Board determines.

§9–304.

(a) Titles 11 through 17 of the State Finance and Procurement Article do not apply to the operation of or any transactions made by the Fund.

(b) Meetings of the Board or its members or of employees or agents of the Fund are not subject to State requirements for open or public meetings, including any requirements for open sessions under Title 3 of the General Provisions Article.

§9–305.

(a) The Board shall use the money administered by the Fund to provide community reinvestment assistance in accordance with this title, any other applicable law, and the organizational documents of the Fund.

(b) The Board may use the money that the Fund administers to:

(1) ensure a reasonable return on money held by the Fund before disbursing money for community reinvestment assistance;

(2) pay expenses incurred in its formation and operation, including expenses for administrative, legal, actuarial, and other services; and

(3) redeem interests in the Fund.

§9–306.

The Department shall take any necessary action, including providing technical assistance, to encourage and facilitate the creation of the Fund.

§9–307.

(a) The Department may provide money for administrative, legal, and other organizational expenses of the Fund.

(b) The Department of Housing and Community Development and the Department of Commerce may:

(1) provide technical assistance for:

(i) operating and administering the Fund; and

(ii) underwriting proposed community reinvestment projects; and

(2) charge reasonable and customary fees for the technical assistance.

§9–401.

The Secretary shall establish upper income limits for limited income households, taking into consideration factors that include:

(1) the total income of the household available for housing needs;

(2) the size of the household;

(3) the cost and condition of housing facilities;

(4) the ability of the household to compete successfully in the conventional private housing market; and

(5) relevant standards and definitions established for federal housing programs.

§9–402.

(a) A project qualifies as a community reinvestment project if the Secretary determines in writing that the community reinvestment project meets:

(1) affordable housing needs of limited income households in the State;

(2) capital, operating, and other credit needs of small businesses in the State, including farm businesses, if the assets, income, and number of employees of the business do not exceed limits that the Secretary of Commerce establishes; or

(3) capital, operating, and other credit needs of individuals, community organizations, and businesses located in or serving communities or neighborhoods in the State that have urgent needs for reinvestment due to deteriorating social or economic conditions.

(b) A community reinvestment project shall:

(1) conform to eligibility guidelines and financing policies consistent with this subtitle that the Board develops and the Secretary approves; and

(2) be submitted to and approved by the loan committee appointed by the Board under § 9–204(d) of this title.

§9–403.

(a) An application for community reinvestment assistance shall be made to the Department of Housing and Community Development, to the Department of Commerce, to an entity contributing to the Fund, or, if the Board allows, directly to the Fund.

(b) The Department of Housing and Community Development and the Department of Commerce may provide technical assistance in the underwriting or review of a loan for which an application has been submitted.

(c) The loan committee shall base its action on an application on the review of the application and recommendations made by one or more parties listed in subsection (a) of this section.

§9–404.

To provide community reinvestment assistance, the Board may:

(1) invest in, purchase, make commitments to purchase, or take assignments from mortgage lenders of notes and mortgages evidencing mortgage loans;

(2) act as a guarantor or conduit for mortgage backed securities;

(3) make loans to recipients of community reinvestment assistance or to mortgage lenders;

(4) sell at public or private sale mortgages, loans, or other obligations held by the Fund;

(5) purchase, make, participate in making, or enter into commitments to purchase loans;

(6) package and sell loans; and

(7) do anything else authorized by the organizational documents of the Fund.

§9–501.

This title is the Community Reinvestment Fund Act.

§10–101.

(a) In this title the following words have the meanings indicated.

(b) "Award" means a grant, loan, deferred payment loan, loan guarantee, or other financial assistance.

(c) "Board" means the Board of Trustees of the Trust.

(d) "Fund" means the Maryland Affordable Housing Trust Fund.

(e) "Trust" means the Maryland Affordable Housing Trust.

(f) "Trustee" means a member of the Board.

§10–102.

(a) There is a Maryland Affordable Housing Trust.

(b) (1) The Trust is an instrumentality of the State and is a body corporate and politic.

(2) The exercise by the Trust of its powers under this title is an essential public function.

(c) The purpose of the Trust is to make affordable housing more available throughout the State.

(d) The Department shall provide staff for the Trust.

§10–103.

(a) There is a Board of Trustees of the Trust.

(b) The Board shall control the Trust and exercise all of the corporate powers of the Trust.

§10–104.

(a) (1) The Board consists of 14 trustees.

(2) The nonvoting trustees are:

(i) the Secretary;

(ii) a member of the House of Delegates, appointed by the Speaker of the House; and

(iii) a member of the Senate, appointed by the President of the Senate.

(3) With the advice and consent of the Senate, the Governor shall appoint 11 voting trustees, consisting of:

(i) four representatives of the public; and

(ii) one representative of each of the following:

1. title companies doing business in the State;

2. financial institutions doing business in the State;

3. political subdivisions;

4. nonprofit housing developers;

5. for profit housing developers;

6. public housing authorities; and

7. social services providers.

(b) In appointing trustees, the Governor shall consider geographic representation.

(c) Service as a trustee is not a State office or State employment for purposes of any prohibition against holding two public positions.

(d) (1) The term of a voting trustee is 4 years.

(2) The terms of voting trustees are staggered as required by the terms provided for voting trustees on October 1, 2005.

(3) At the end of a term, a voting trustee continues to serve until a successor is appointed and qualifies.

(4) A voting trustee who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

§10–105.

The Governor shall appoint one of the trustees to serve as chair of the Board.

§10–106.

(a) A quorum is a majority of the voting trustees then serving on the Board.

(b) The Board may act with a majority vote of a quorum of the Board.

§10–107.

(a) The debts, obligations, and liabilities of the Trust are those of the Trust only and are not:

(1) a pledge of the State's credit; or

(2) those of the State or its officers, employees, or governmental units.

(b) (1) The net earnings of the Trust may not inure to the benefit of a trustee, officer, or private person.

(2) A trustee, officer, or private person is not entitled to share in the distribution of the corporate assets of the Trust.

(3) If the Trust is dissolved or abolished, by act of the General Assembly or otherwise, its assets shall be distributed to the State or a governmental unit of the State.

§10–108.

The Board shall:

(1) receive applications for awards from the Trust;

(2) make the final decisions about awards; and

(3) develop a process for making awards that encourages a broad geographic distribution of money.

§10–109.

(a) The Board shall comply with the Maryland Public Ethics Law.

(b) The Board is exempt from:

(1) taxation by the State or its political subdivisions;

(2) the General Procurement Law provisions of Division II of the State Finance and Procurement Article; and

(3) the Administrative Procedure Act, Title 10, Subtitles 1 through 4, of the State Government Article.

§10–110.

(a) The books and records of the Trust are subject to audit:

(1) by the State, at the State's discretion; and

(2) annually by an independent auditor approved and paid by the Trust.

(b) (1) Within the first 90 days of each fiscal year, the Board shall report to the Governor and, subject to § 2–1257 of the State Government Article, to the General Assembly.

(2) The report shall include a complete operating and financial statement of the operations of the Trust and a summary of the activities of the Trust during the preceding fiscal year.

§10–201.

There is a Maryland Affordable Housing Trust Fund.

§10–202.

(a) The Board shall use the Fund to make awards to:

(1) help acquire, build, rehabilitate, or preserve affordable housing;

(2) help nonprofit organizations develop affordable housing; and

(3) help promote affordable housing by contributing to pay the operating expenses of housing developments.

(b) In any fiscal year, the Board may use up to 5% of the Fund to pay actual operating and staffing expenses directly related to the activities of the Trust.

§10–203.

The State Treasurer shall hold and the Comptroller shall account for the Fund.

§10–204.

The Fund consists of:

(1) money that the Board receives from any public or private source, including a gift, grant, or legacy;

(2) interest earned on Trust accounts held by title insurers and their agents under § 22–105 of the Insurance Article;

(3) investment earnings of the Fund; and

(4) repayments of principal or payments of interest on loans from the Fund.

§10–205.

The Board may solicit money for the Fund from any source.

§10–206.

Money in the Fund shall be invested in the same way as other State money.

§10–301.

This title shall be liberally construed to accomplish its purposes.

§11–101.

In this title, “Fund” means the Maryland State Appalachian Housing Fund.

§11–102.

There is a Maryland State Appalachian Housing Fund.

§11–103.

The Department shall use the Fund to fulfill its obligations under any contract or agreement with the Appalachian Regional Commission.

§11–104.

The Fund is a continuing, nonlapsing special fund that is not subject to § 7-302 of the State Finance and Procurement Article.

§11–105.

The Fund consists of:

(1) receipts of the Department from the Appalachian Regional Commission;

(2) investment earnings of the Fund; and

(3) repayments of site development advances or loan principal or payments of loan interest made under this title.

§11–106.

The State Treasurer shall invest money in the Fund in the same way as other State money.

§11.5–101.

(a) In this title the following words have the meanings indicated.

(b) “Fund” means the Ending Youth Homelessness Grant Fund.

(c) “Program” means the Ending Youth Homelessness Grant Program.

(d) (1) “Supportive services” means those interventions, services, and resources necessary to assist Program participants in accessing and maintaining housing and economic self–sufficiency.

(2) "Supportive services" includes:

(i) services for families to prevent separation and support reunification where safe and appropriate;

(ii) housing search, counseling, rental assistance, financial assistance with eviction prevention, utilities, security deposit, and relocation, and other housing support services;

(iii) employment assistance, job training, and job placement;

(iv) assistance and advocacy to ensure access to federal, State, and local benefits;

(v) assistance and advocacy to ensure access to education under the McKinney–Vento Homelessness Assistance Act, financial support for higher education under the applicable provisions of the College Cost Reduction and Access Act, 20 U.S.C. § 10877vv(d)(1)(H), and the Maryland tuition waiver program, § 15–106.1 of the Education Article;

(vi) services to prevent and treat violence and crime victimization;

(vii) case management;

(viii) child care operations and vouchers;

(ix) legal services;

(x) life skills training;

(xi) outpatient health, behavioral health, and substance abuse treatment services;

(xii) transportation;

(xiii) outreach services;

(xiv) homelessness prevention services;

(xv) aftercare services; and

(xvi) other services as deemed necessary by the Secretary.

(e) (1) "Unaccompanied homeless youth" means an individual of 24 years of age or younger who is not in the physical custody of a parent or guardian and lacks a fixed, regular, and adequate nighttime residence.

(2) "Unaccompanied homeless youth" includes an individual 24 years of age or younger who:

(i) lives in a supervised publicly or privately operated shelter designated to provide temporary living arrangements;

(ii) lives in a motel, hotel, or campground due to lack of alternative adequate accommodations;

(iii) shares the housing of other individuals due to loss of housing, economic hardship, or similar reason;

(iv) lives in a transitional housing program or other time–limited housing; or

(v) has a primary nighttime residence which is a public or private place not designed or ordinarily used as a regular sleeping accommodation for individuals, such as a car, a park, an abandoned building, a bus or train station, or an airport.

(f) (1) "Youth at risk of homelessness" means an individual 24 years of age or younger whose status or circumstances indicate a significant danger of experiencing homelessness in the near future.

(2) "Youth at risk of homelessness" includes:

(i) an individual 24 years of age or younger exiting a publicly funded institution or system of care;

(ii) an individual 24 years of age or younger who has previously experienced homelessness;

(iii) an individual 24 years of age or younger whose primary caregivers are currently homeless or have previously been homeless; and

(iv) an individual 24 years of age or younger who experiences serious or sustained conflict with the individual's caregivers that is likely to result in family separation.

§11.5–102.

(a) (1) There is an Ending Youth Homelessness Grant Program.

(2) The purpose of the Program is to:

(i) prevent and end youth homelessness in the State; and

(ii) address related disparities based on race, ethnicity, sexual orientation, and gender identity.

(b) (1) The Department shall administer the Program.

(2) The Department shall establish:

(i) application procedures; and

(ii) any other procedures or criteria necessary to carry out this title.

(c) (1) The Program shall be a competitive, performance–based grant program to provide funds to housing and supportive services for unaccompanied homeless youth and youth at risk of homelessness.

(2) The Program may provide a grant only to services that are voluntary and individualized.

(3) Recipients of grants from the Program may provide supportive services directly, or may provide services through sub–recipients or partners.

(4) Recipients of grants from the Program shall conduct an annual assessment of Program participants and update and adjust the services offered accordingly.

(5) Grants appropriated from the Program shall be allocated based on an assessment of the gaps in existing resources, with a primary focus on ensuring access to permanent affordable housing.

§11.5–103.

(a) There is an Ending Youth Homelessness Grant Fund.

(b) The purpose of the Fund is to provide funds to the Program.

(c) The Department shall administer the Fund.

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

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

(e) The Fund consists of:

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

(2) any other money from any other source accepted for the benefit of the Fund.

(f) The Fund may be used only for grants made by the Department for the Program.

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

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

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

§11.5–104.

(a) The Department shall establish a grant making process that is inclusive of currently and formerly homeless youth from diverse geographic regions within the State.

(b) The grant making process shall:

(1) ensure that youth are involved in the planning and evaluation activities, including by providing opportunities for youth to participate in decision making;

(2) adequately support youth participation in the grant making process; and

(3) to the extent practicable, support youth participation in the grant making process through stipends and reasonable reimbursement for expenses.

(c) The Department shall engage currently or formerly homeless youth and representatives of service provider or advocacy organizations that address youth homelessness in the development of requests or proposals or other grant application materials as may be required under this title.

§11.5–105.

Eligible recipients of grant funding are limited to the following types of programs:

(1) street and community–based outreach and drop–in programs that:

(i) locate, contact, and provide information, referrals, and supportive services;

(ii) provide walk–in access to crisis intervention and ongoing supportive services that include one–to–one case management services on a self–referral basis; or

(iii) help unaccompanied homeless youth and youth at risk of homelessness access and maintain safe, decent, and affordable housing;

(2) emergency shelter programs that:

(i) provide unaccompanied homeless youth and youth at risk of homelessness with referral and walk–in access to emergency short–term residential care; and

(ii) provide unaccompanied homeless youth with:

1. safe, dignified shelter where privacy and security concerns are addressed that includes beds, lockers or other storage options, and two meals each day;

2. assistance with reunification with their family or legal guardian when required or appropriate; and

3. assistance to access and maintain safe, decent, and affordable housing; and

(3) housing programs, either time–limited or nontime–limited, that:

(i) provide supportive services; and

(ii) aid participants in obtaining permanent, safe, decent, and affordable housing.

§11.5–106.

(a) (1) The Department shall for all recipients of a grant:

(i) establish performance standards;

(ii) monitor performance; and

(iii) require data collection and reporting.

(2) The standards required by paragraph (1) of this subsection shall:

(i) incorporate evidence–based practices and interventions;

(ii) require grant recipients to demonstrate the capacity to competently serve groups overrepresented in the homeless youth population, including racial and ethnic minority youth and lesbian, gay, bisexual, and transgender youth;

(iii) evaluate youth participation and engagement, including the ability to integrate currently and formerly homeless youth into staffing and governance roles; and

(iv) require participation in Youth REACH Maryland.

(b) The Department shall monitor performance and collect data from grantees to ensure high–quality services and equitable outcomes.

(c) The Department shall engage currently and formerly homeless youth and representatives of service provider or advocacy organizations that address youth homelessness in the development of performance standards and data collection tools under this section.

§11.5–107.

(a) The Department shall serve as the lead State agency for Youth REACH Maryland.

(b) (1) The Department shall work with Youth REACH Maryland to perform data collection and analysis in order to determine the number and character of unaccompanied homeless youth in each jurisdiction in the State.

(2) The Department shall select and monitor a coordinating entity to assist the Department's involvement with Youth REACH Maryland.

(3) The selected coordinating entity shall assist in the collection of quantitative and qualitative data through surveys administered in schools and through street and community–based outreach.

(c) Participating jurisdictions shall implement procedures to conduct the data collection described in subsection (b) of this section once every 2 years.

§11.5–108.

On or before December 1 each year, the Secretary shall report to the General Assembly, in accordance with § 2–1257 of the State Government Article, on:

(1) a list of the areas of the State with the greatest need for services and housing for unaccompanied homeless youth and youth at risk of homelessness, and the level and nature of the needs identified;

(2) details about grants made, including distribution of funds throughout the State;

(3) grantee outcome data, including outcomes by race, sexual orientation, gender identity, and other demographics;

(4) follow–up information, if available, on the status of unaccompanied homeless youth and whether they have stable housing 3 months and 6 months after services are provided;

(5) procedural or systemic barriers affecting unaccompanied homeless youth, youth at risk of homelessness, and grantee programs; and

(6) any other outcomes for populations served by the Program to determine the effectiveness of the Program and the efficacy of funding.

§11.5–109.

(a) Funds appropriated or otherwise allocated for programs under this title may be expended for any lawful purpose authorized by this title, as well as:

(1) outreach;

(2) technical assistance;

(3) capacity building for recipient and prospective recipient entities with the goal of building capacity to effectively meet the greatest need on a statewide basis; and

(4) administrative costs to the Department.

(b) In and after the third year of funding, each year the Department shall allocate at least 50% of the money appropriated to the Fund for housing programs as described in § 11.5–105(3) of this title.

(c) The Department may partner or contract to provide programs or services authorized under subsection (a) of this section, including conducting training on racial equity, harm reduction, trauma–informed care, and needs of overrepresented or particularly vulnerable groups, including:

(1) racial minority youth;

(2) lesbian, gay, bisexual, and transgender youth;

(3) minors;

(4) victims of human trafficking and intimate partner violence;

(5) youth with disabilities;

(6) pregnant and parenting youth; and

(7) immigrant youth.

§11.5–110.

The Secretary shall adopt regulations necessary for the effective administration of this title.

§11.5–111.

This title may be cited as the Ending Youth Homelessness Act.

§12–101.

(a) In this Division II the following words have the meanings indicated.

(b) "Area of operation" means the geographical area within which an authority is empowered to act.

(c) "Authority" means a public corporation created as a housing authority under this Division II.

(d) "Bond" includes a note, an interim certificate, a debenture, and any other obligation issued by an authority under this Division II.

(e) "Chief elected official" means:

(1) the individual who exercises the office of the chief publicly elected executive official of the political subdivision; or

(2) in a political subdivision without a chief publicly elected executive official, the highest executive body.

(f) "Code authority" means an authority activated on or after July 1, 1990.

(g) "County" means a county of the State or Baltimore City.

(h) "Custodian of records" means:

(1) the clerk of the political subdivision;

(2) the officer charged with the duties customarily imposed on a clerk; or

(3) the political subdivision's designee to be the custodian of records for this Division II.

(i) "Economically depressed or physically deteriorated area" means an area in which most housing is harmful to safety, health, and morals because of:

(1) dilapidation;

(2) overcrowding;

(3) faulty arrangement or design; or

(4) lack of ventilation, light, or sanitary facilities.

(j) “Extraordinary majority” means two-thirds or more of the authorized number of members of the legislative body or the board of commissioners of an authority, as applicable.

(k) (1) “Housing project” means a work or undertaking to:

(i) demolish, clear, or remove buildings from an economically depressed or physically deteriorated area; or

(ii) provide decent, safe, and sanitary housing for persons of eligible income and, to the extent authorized by § 12-503(a)(4) of this title, for other persons.

(2) “Housing project” includes:

(i) work connected to planning, constructing, reconstructing, altering, or repairing improvements, acquiring property, or demolishing structures;

(ii) adapting an economically depressed or physically deteriorated area to public purposes, including parks and other recreational or community purposes; and

(iii) acquiring buildings, land, equipment, facilities, and other real or personal property for necessary, convenient, or desirable:

1. appurtenances;

2. streets;

3. sewers;

4. water service;

5. parks;

6. site preparation;

7. gardening; and

8. administrative, community, health, recreational, educational, welfare, or other purposes.

(l) “Legislative body” means the council, commissioners, or other legislative body of a political subdivision.

(m) “Military personnel” includes all civilian and military employees of the military and naval forces of the United States and their families and other dependents who are living with them.

(n) “Obligee” includes:

(1) a bondholder and a trustee for a bondholder;

(2) a lessor that leases to the authority property used in connection with a housing project, and an assignee of all or part of the lessor’s interest; and

(3) the State or federal government when it is a party to a contract with an authority.

(o) “Person” means an individual, a receiver, a trustee, a guardian, a personal representative, a fiduciary, a representative of any kind, a partnership, a firm, an association, a corporation, a public corporation, or any other entity.

(p) “Person of eligible income” means an individual or family that qualifies under § 12-106 of this subtitle.

(q) “Political subdivision” means a county or municipal corporation of the State.

(r) “Pre-existing authority” means an authority that was activated before July 1, 1990.

(s) “Real property” includes:

(1) land;

(2) improvements and fixtures on the land;

(3) property of any nature appurtenant to or used in connection with the land; and

(4) each legal or equitable estate, interest, and right in the land, including:

(i) terms for years and liens by way of judgment, mortgage, or otherwise; and

(ii) the indebtedness secured by those liens.

(t) “State public body” means any political subdivision, commission, district, authority, or unit of the State.

§12–102.

The General Assembly finds that:

(1) there is unsanitary or unsafe housing in which individuals of low and moderate income are forced to live;

(2) there is a shortage of safe or sanitary housing that is available at rents that individuals of low and moderate income can afford, forcing these individuals to live in overcrowded housing;

(3) there are many families living in housing that, while decent and safe, is inadequate for the size of the family;

(4) the conditions:

(i) cause disease and crime to increase and spread, threaten the public health, safety, morals, and welfare, and impair economic values; and

(ii) cause too much public money to be spent for crime prevention and punishment, public health and safety, fire and accident protection, and other public services and facilities;

(5) construction of housing projects for individuals of low and moderate income does not compete with private enterprise because:

(i) there are economically depressed or physically deteriorated areas that cannot be assisted through the private housing market; and

(ii) the private housing market cannot relieve the shortage of safe and sanitary housing for individuals of low and moderate income;

(6) clearing, replanning, and reconstructing areas in which unsanitary or unsafe housing exists and providing safe and sanitary housing for persons of low and moderate income are public purposes and essential governmental functions for which public money may be spent and private property acquired;

(7) it is the policy of the State to develop safe, sanitary, and decent housing for State residents;

(8) there is a need for available mortgage credit because many purchasers and owners of housing cannot afford mortgage credit at the market interest rate or get mortgage credit because the mortgage credit market is severely restricted; and

(9) this Division II is needed in the public interest.

§12–103.

The purpose of this Division II is to authorize each authority to do all that is necessary or desirable to secure the financial aid or cooperation of political subdivisions, State government, or federal government to help the authority undertake, construct, maintain, or operate a housing project.

§12–104.

(a) In this section, "housing authority entity" means an entity:

(1) that is controlled or wholly owned by an authority; or

(2) in which an authority or an entity controlled or wholly owned by an authority has an ownership interest, either directly or indirectly, through one or more wholly or partially owned subsidiary entities.

(b) A nonprofit entity shall be deemed controlled by an authority under subsection (a) of this section if:

(1) the nonprofit entity is established by an authority under § 12–502(h) of this title; and

(2) the authority:

(i) has the power to appoint a majority of the board of directors of the nonprofit entity; or

(ii) is the sole member of the nonprofit entity.

(c) (1) In this subsection, "nonprofit housing corporation" means a nonprofit or charitable private corporation that provides safe and sanitary housing to persons of eligible income in such a way that the corporation works essentially like an authority under this Division II.

(2) Property is used for essential public and governmental purposes and is exempt from all taxes and special assessments of the State or a political subdivision if the property:

(i) belongs to an authority or a nonprofit housing corporation;

(ii) is used as housing for persons of eligible income and is owned in whole or in part, directly or indirectly, through one or more wholly or partially owned subsidiary entities of a housing authority entity; or

(iii) 1. is used, or if planned or under construction will be used, as housing for persons of eligible income and is owned in whole or in part, directly or indirectly, through one or more wholly or partially owned subsidiary entities of a housing authority entity; and

2. has improvements, or has improvements planned or under construction, located on land that is owned by:

A. an authority; or

B. an entity that is controlled or wholly owned by an authority.

(3) In lieu of those taxes and special assessments, an authority, a nonprofit housing corporation, or a housing authority entity shall pay the political subdivision in which a housing project is wholly or partly located an amount, if any, that may be set by mutual agreement and that does not exceed the amount of regular taxes levied on similar property.

(d) (1) Except as provided in paragraph (2) or (3) of this subsection:

(i) all real property of an authority is exempt from levy and sale by virtue of an execution;

(ii) an execution or other judicial process may not issue against the real property; and

(iii) a judgment against an authority is not a charge or lien on the authority's real property.

(2) Paragraph (1) of this subsection does not limit a right to foreclose or otherwise enforce:

(i) a mortgage or deed of trust recorded against property of an authority; or

(ii) a pledge or lien given by an authority on its rents, fees, or revenues.

(3) This subsection does not deprive a political subdivision of its right to collect money agreed to be paid in lieu of taxes in the same manner as taxes are now or may be collected under State law and the laws of the political subdivision.

§12–105.

(a) An authority of a municipal corporation or Baltimore City may:

(1) operate within its territorial boundaries; and

(2) without regard to location:

(i) administer rent subsidy payments and housing assistance programs for both eligible landlords and tenants;

(ii) own or manage housing projects in operation before January 1, 1990; and

(iii) develop, own, or operate a housing project at the request of and within the territorial boundaries of another political subdivision.

(b) (1) Anywhere in its county an authority of a county may:

(i) administer rent subsidy payments and housing assistance programs for both eligible landlords and tenants; and

(ii) own or manage housing projects in operation before:

1. January 1, 1990, if the authority is of Baltimore City; or

2. January 1, 1991, if the authority is of another county.

(2) Subject to paragraph (3) of this subsection, an authority of a county may conduct its other operations within the county.

(3) An authority of a county other than Baltimore City may not conduct its other operations within a municipal corporation unless the governing body of the municipal corporation consents by resolution to its inclusion in the authority's area of operation.

(c) An authority created under § 12–208 of this title may conduct its operations in the area prescribed under its articles of organization.

§12–106.

(a) An individual or family qualifies as a person of eligible income:

(1) for projects that are State or federally funded, if the individual or family meets the income requirements of the State or federal program involved; or

(2) for other projects, if the individual or family, by a determination under subsection (b) of this section, lacks sufficient income or assets without financial assistance to purchase or rent decent, safe, and sanitary housing without overcrowding.

(b) (1) The chief elected official or the chief elected official's designee, who may be the executive director of an authority or the board of commissioners of the authority, shall determine whether an individual or family qualifies as a person of eligible income under subsection (a)(2) of this section.

(2) Determination of qualifying income levels may vary for the elderly, individuals with disabilities, other persons with special needs, particular projects or programs, or particular parts of the political subdivision.

§12–107.

A provision applicable to a particular political subdivision or its authority in another title of this Division II:

(1) takes precedence over a conflicting provision of this title; and

(2) may not be used to interpret how this title applies to another political subdivision or its authority.

§12–201.

Except as provided in § 12–208 of this subtitle, in each political subdivision, there is a public body corporate and politic known as the "housing authority" of the political subdivision or as otherwise designated in the articles of organization.

§12–202.

Sections 12-203 through 12-206 of this subtitle are only enabling legislation allowing a political subdivision to authorize an authority to operate in the political subdivision.

§12–203.

A code authority may not do business or exercise its powers unless:

(1) its articles of organization have been recommended in writing by the chief elected official, adopted by a resolution or ordinance of the legislative body, and filed with the Secretary of State; and

(2) the Secretary of State has issued a certificate of organization to the code authority.

§12–204.

(a) Except as provided in § 12–208 of this subtitle, each pre–existing authority continues to exist.

(b) (1) Except as provided in paragraph (3) of this subsection, a pre-existing authority governed only by this title:

(i) may exercise the powers granted by Subtitles 6 and 7 and §§ 12-501, 12-502, 12-504, and 12-506(a) of this title; and

(ii) if it adopts articles of organization, may exercise the powers listed in § 12-503 of this title that are authorized by the articles of organization in accordance with § 12-205(b)(1)(vi) of this subtitle; and

(iii) is entitled to the exemptions from State law provided in § 12-505 of this title.

(2) Except as provided in paragraph (3) of this subsection, a pre-existing authority governed by this title and by a title in this Division II that is applicable in a particular political subdivision:

(i) may exercise the powers granted under the title that applies to the particular political subdivision;

(ii) may exercise the powers granted by Subtitles 6 and 7 and §§ 12-501, 12-502, 12-504, and 12-506(a) of this title as modified by the title that applies to the particular political subdivision;

(iii) if it adopts articles of organization, may exercise the powers listed in § 12-503 of this title that are authorized by the articles of organization in accordance with § 12-205(b)(1)(vi) of this subtitle; and

(iv) is entitled to the exemptions from State law provided in § 12-505 of this title.

(3) If articles of organization are adopted, the powers set forth in §§ 12-501 through 12-506(a) of this title may be limited to the extent allowed under §§ 12-205(b)(2) and 12-207 of this subtitle.

§12–205.

(a) Articles of organization, if they are not inconsistent with this title, may be adopted for an authority governed by another title in this Division II.

(b) (1) Articles of organization shall state:

(i) the name of the authority, which may be "housing authority of (here insert name of political subdivision)" or some other name that includes the name of the political subdivision;

(ii) that a need exists for the authority to function in the political subdivision;

(iii) whether appointments of commissioners of the authority by the chief elected official require the prior approval of the legislative body;

(iv) whether the board of commissioners of the authority will consist of five, seven, or nine commissioners;

(v) whether commissioners of the authority will have 3- or 5-year terms;

(vi) whether the authority may exercise any power set forth in § 12-503 of this title, and, if so, any limitations on those powers; and

(vii) any limitation on or elimination of any power granted to the authority under any title of this Division II.

(2) The powers of the authority:

(i) shall be sufficient for it to comply with each existing agreement between it and a State or federal governmental unit and with federal law; and

(ii) may not be limited in a way that is inconsistent with such an agreement or with federal law.

(3) The articles of organization of an authority shall designate an official of the political subdivision to be the custodian of records of the political subdivision for the purposes of this Division II.

(c) (1) Subject to paragraph (2) of this subsection, the articles of organization may contain specific terms governing the operation of the authority and its housing projects, including financial reporting, budgetary, and personnel requirements.

(2) The specific terms may not add powers to the authority other than those allowed under subsection (b)(1)(vi) of this section and may not be inconsistent with:

(i) any existing agreement between the authority and any State or federal governmental unit;

(ii) federal law; or

(iii) this Division II or other State law.

(d) Articles of organization may not require the authority directly or indirectly to pay any of its reserves or other money to the political subdivision.

(e) The custodian of records shall file with the Secretary of State a certified copy of the written recommendation of the chief elected official and the resolution or ordinance adopting the articles of organization.

(f) (1) If the Secretary of State finds that the requirements of § 12-203 of this subtitle have been met, the Secretary of State shall endorse the articles of organization "approved" and issue to the authority a certificate of approval attached to them and a certificate of organization.

(2) On issuance of the certificate of approval, the articles of organization as filed are considered to have been adopted.

(g) The Secretary of State:

(1) shall record and maintain all endorsed articles of organization and amendments in records kept for that purpose; and

(2) on request, shall issue certified copies of the endorsed articles of organization and amendments.

(h) (1) In a proceeding involving or relating to a contract of an authority, the authority is considered to be authorized to do business and exercise its powers if the Secretary of State has issued a certificate of organization.

(2) A copy of the certificate of organization is admissible in evidence.

§12–206.

(a) (1) A pre–existing authority may be governed by articles of organization if:

(i) the pre–existing authority meets the requirements of subsection (b) or (c) of this section;

(ii) the custodian of records files with the Secretary of State the documents required under subsection (d) of this section; and

(iii) the Secretary of State issues a certificate of approval in accordance with subsection (e) of this section.

(2) Articles of organization shall comply with § 12–205(b) through (d) of this subtitle.

(b) Before a pre–existing authority may adopt articles of organization under this subsection, the articles of organization must be:

(1) recommended in writing by the chief elected official;

(2) approved by an extraordinary majority of the board of commissioners of the authority; and

(3) adopted by an extraordinary majority of the legislative body.

(c) Before a pre–existing authority may adopt articles of organization under this subsection:

(1) the custodian of records shall provide documentation to the Secretary of State that within 5 years before the date the documentation is submitted:

(i) the political subdivision, within each of any 3 fiscal years within the 5–year period, has provided financial assistance to the authority from local tax revenues or bond sale proceeds in an amount equal to the greater of:

1. the product of $1 times the number of residents of the political subdivision as published annually by the Maryland Department of Health or as otherwise available; and

2. the product of $100 times the total number of housing units owned or managed by the authority; and

(ii) the authority, at the request and with the financial support of the political subdivision, is operating one or more housing projects for which the federal government provided no more than half of the development and operating costs; and

(2) the articles of organization must be:

(i) recommended in writing by the chief elected official;

(ii) approved by a resolution of the board of commissioners of the authority; and

(iii) adopted by a resolution or ordinance of the legislative body.

(d) The custodian of records shall file with the Secretary of State:

(1) a copy of the documentation described in subsection (c)(1) of this section, if applicable;

(2) the articles of organization and the applicable recommending, approving, and adopting instruments described in subsection (b) or (c)(2) of this section;

(3) certification by the custodian of records that the articles of organization have been recommended and adopted by the political subdivision in accordance with the applicable requirements of subsection (b)(1) and (3) or subsection (c)(2)(i) and (iii) of this section; and

(4) certification by the secretary of the pre–existing authority that the articles of organization have been approved by the board of commissioners of the

authority in accordance with the applicable requirements of subsection (b)(2) or subsection (c)(2)(ii) of this section.

(e) (1) If the Secretary of State finds that the requirements of subsection (b) or (c) and subsection (d) of this section have been satisfied, the Secretary of State shall endorse the articles as "approved" and issue a certificate of approval attached to the endorsed articles.

(2) When the certificate of approval is issued, the articles of organization as filed are considered to have been adopted.

§12–207.

(a) Articles of amendment or restatement of articles of organization of an authority must be:

(1) recommended in writing by the chief elected official;

(2) if required by subsection (d) of this section, approved by a resolution of the board of commissioners of the authority; and

(3) adopted by a resolution or ordinance of the legislative body.

(b) An amendment or restatement of articles of organization shall comply with § 12-205(b) through (d) of this subtitle.

(c) A political subdivision may not amend the articles of organization to change the number of commissioners of an authority or the length of terms of commissioners stated in the initial articles of organization.

(d) A political subdivision may not amend the articles of organization of a pre-existing authority without the approval of the board of commissioners of the pre-existing authority.

(e) The custodian of records shall file with the Secretary of State:

(1) a copy of the articles of amendment or restatement, the recommending and adopting instruments required by subsection (a)(1) and (3) of this section, and any approving instrument required by subsection (a)(2) of this section;

(2) the certification of the custodian of records that the articles of amendment or restatement have been recommended and adopted by the political subdivision in accordance with the requirements of subsection (a)(1) and (3) of this section; and

(3) if required by subsection (a)(2) of this section, the certification of the secretary of the authority that the articles of amendment or restatement have been approved by the board of commissioners of the authority in accordance with the requirements of subsection (a)(2) of this section.

(f) (1) If the Secretary of State finds that the requirements of subsections (a) and (e) of this section have been met, the Secretary of State shall endorse the articles of amendment or restatement as "approved" and issue an attached certificate of approval.

(2) On issuance of the certificate of approval, the articles of amendment or restatement as filed are considered to have been adopted.

§12–208.

(a) (1) In this section the following words have the meanings indicated.

(2) "Consolidation" means the dissolution of separate existing authorities and the simultaneous creation of a new authority.

(3) "Merger" means the absorption of one existing authority by another existing authority in which the one authority dissolves and the other authority continues to exist.

(b) The Housing Commission of Talbot County and the St. Michaels Housing Authority may unite by consolidation or merger to form one authority.

(c) (1) The unification of the Housing Commission of Talbot County and the St. Michaels Housing Authority shall be initiated by the passage of a proposal of unification in substantially the same form by the legislative body of the Town of Easton and the legislative body of the Town of St. Michaels.

(2) The proposal of unification shall:

(i) include a description of the boundaries of the area of operation for the proposed authority; and

(ii) be approved by each municipal corporation in the same manner provided for the adoption of a resolution or ordinance in the charter or bylaws of the municipal corporation that is considering the proposal of unification.

(d) (1) After both municipal corporations approve a proposal of unification, each municipal corporation shall appoint an equal number of representatives, which may not be less than three nor more than five, to a commission charged with drafting articles of organization for the proposed authority.

(2) The members of the commission shall:

(i) adopt rules and elect officers to govern their meetings and expedite the drafting of the articles of organization; and

(ii) complete a draft of the articles of organization no later than 6 months after the approval of the proposals of unification.

(3) In the draft articles of organization or in a separate document, the commission shall:

(i) describe the boundaries of the area of operation for the proposed authority; and

(ii) provide for:

1. the disposition of any debts, bonds, and other obligations of the Housing Commission of Talbot County and any debts, bonds, and other obligations of the St. Michaels Housing Authority;

2. the transfer to the proposed authority of any property and other assets of the Housing Commission of Talbot County and any property and other assets of the St. Michaels Housing Authority; and

3. the designation of the chief elected official, custodian of records, and legislative body of which municipal corporation that shall govern the operations of the proposed authority.

(e) (1) The commission created under subsection (d) of this section shall submit the draft articles of organization to the legislative body of each municipal corporation for adoption or rejection.

(2) The legislative body of each municipal corporation must adopt or reject the draft articles of organization as a whole.

(3) No amendment or change may be made to the draft articles of organization unless the legislative body of each municipal corporation concurs in the amendment or change.

(4) If the legislative body of each municipal corporation adopts the draft articles of organization, the appropriate custodian of records shall file the articles of organization with the Secretary of State.

(f) (1) If the Secretary of State finds that the appropriate requirements of §§ 12–205 and 12–206 of this subtitle have been satisfied, the Secretary of State shall endorse the articles as "approved" and issue a certificate of approval attached to the endorsed articles of organization.

(2) When the certificate of approval is issued, the articles of organization as filed are considered to have been adopted.

(3) An authority created under this section may not do business or exercise its powers unless the Secretary of State has issued a certificate of approval.

§12–301.

The required number of commissioners of an authority:

(1) for an authority not governed by articles of organization, is five; and

(2) for an authority governed by articles of organization, is the number set forth in the articles of organization as required by § 12-205(b)(1)(iv) of this title.

§12–302.

(a) The chief elected official shall appoint the required number of commissioners of the authority.

(b) (1) A certificate of the appointment of a commissioner of an authority shall be filed with the custodian of records.

(2) The certificate is conclusive evidence of the appointment.

§12–303.

(a) A commissioner of an authority may not be an employee of the authority.

(b) (1) If an authority is governed by articles of organization, only one commissioner of the authority may be an employee of the political subdivision.

(2) Otherwise, a commissioner of an authority may not be an employee of the political subdivision.

(c) A commissioner of an authority may not be an elected official of the political subdivision.

(d) This subtitle does not bar a tenant of a housing project or of property included or planned to be included in a housing project from being a commissioner of an authority.

§12–304.

(a) (1) This subsection applies to authorities for which the Secretary of State approves articles of organization on or after July 1, 1990.

(2) All initial appointments of commissioners of an authority after the Secretary of State approves the articles of organization shall have the same effective date.

(3) The effective date shall be set forth along with the term of appointment on each initial certificate of appointment required by § 12-302(b) of this subtitle.

(4) For authorities whose articles of organization say that commissioners of the authority have 5-year terms, those who are initially appointed shall have staggered terms of:

(i) 1, 2, 3, 4, and 5 years for five-member authorities;

(ii) 1, 2, 3, 3, 4, 5, and 5 years for seven-member authorities; and

(iii) 1, 2, 2, 3, 3, 4, 4, 5, and 5 years for nine-member authorities.

(5) For authorities whose articles of organization say that commissioners of the authority have 3-year terms, those who are initially appointed shall have staggered terms of:

(i) 1, 2, 2, 3, and 3 years for five-member authorities;

(ii) 1, 1, 2, 2, 3, 3, and 3 years for seven-member authorities; and

(iii) 1, 1, 1, 2, 2, 2, 3, 3, and 3 years for nine-member authorities.

(6) Notwithstanding § 12-311 of this subtitle, a commissioner of an authority who is an employee of the political subdivision serves at the pleasure of the chief elected official.

(b) (1) The term of a commissioner of an authority who was in office before the adoption of articles of organization ends on the effective date of the initial appointments under the articles of organization.

(2) Except as provided in paragraphs (3) and (4) of this subsection, before the effective date of the initial appointments under the articles of organization, the chief elected official shall appoint each commissioner of an authority who was in office before the adoption of the articles of organization to a term as a commissioner of the authority under the articles of organization.

(3) A commissioner of an authority who has delivered to the chief elected official written notice declining appointment may not be appointed under this subsection.

(4) If the number of commissioners of an authority is reduced by the articles of organization so that there are not enough places for all those who did not decline appointment, the chief elected official shall choose which ones to appoint, and when they are appointed and qualify they are the successors of all those who were in office before the adoption of the articles of organization.

(5) Notwithstanding § 12-205(b)(1)(iii) of this title, any other provision of this Division II, and the articles of organization, an appointment under this subsection does not require approval of the legislative body.

(c) If an authority is not governed by articles of organization:

(1) commissioners of the authority who are initially appointed shall have terms of 1, 2, 3, 4, and 5 years; and

(2) each term thereafter shall be 5 years.

(d) (1) At the end of a term, a commissioner of an authority serves until a successor is appointed and qualifies.

(2) A commissioner of an authority who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

§12–305.

(a) (1) The chief elected official shall choose as chair a commissioner who is appointed when the authority is first activated.

(2) When the office of the chair becomes vacant thereafter, the authority shall choose a chair from among its commissioners.

(b) An authority shall choose a vice chair from among its commissioners.

§12–306.

(a) The powers of each authority are vested in the commissioners.

(b) A quorum is:

(1) three commissioners of a five-member authority;

(2) four commissioners of a seven-member authority; or

(3) five commissioners of a nine-member authority.

(c) An authority may take action on a vote of a majority of the commissioners present at a meeting at which there is a quorum, unless a larger number is required by law or the bylaws of the authority.

§12–307.

With the approval of the legislative body, a commissioner of an authority may receive reasonable compensation for the commissioner's services and is entitled to the necessary expenses, including traveling expenses, incurred in the discharge of the commissioner's duties.

§12–308.

(a) (1) An authority may employ:

(i) a secretary, who shall serve as executive director; and

(ii) technical experts and other officers, agents, and employees, permanent and temporary.

(2) An authority shall determine the qualifications, duties, and compensation of its employees.

(b) For legal services, an authority may use the chief law officer of the political subdivision or may employ its own counsel and legal staff.

(c) An authority may delegate to one or more of its agents or employees the powers or duties it considers proper.

§12–309.

(a) Each commissioner, the executive director, and each employee of an authority is:

(1) a local official for the purposes of Title 5, Subtitle 8, Part II of the General Provisions Article and subject to local ethics laws; and

(2) an employee of a local government for the purposes of Title 5, Subtitle 3 of the Courts and Judicial Proceedings Article and entitled to the protections of the Local Government Tort Claims Act.

(b) A commissioner of an authority is not liable for a statement made or action taken in good faith in the exercise or performance of a power or duty of the commissioner.

§12–310.

(a) Except for bonds purchased before appointment and interests in mutual funds, a commissioner or employee of an authority may not acquire any direct or indirect interest in a housing project or in property included or planned to be included in a housing project.

(b) A commissioner or employee of an authority may not have any direct or indirect interest in a contract or proposed contract for materials or services to be furnished or used in connection with a housing project.

(c) (1) A commissioner or employee of an authority who owns or controls a direct or indirect interest in property included or planned to be included in a housing project shall immediately disclose the interest in writing to the authority.

(2) The disclosure shall be entered in the minutes of the authority.

(3) Failure to disclose the interest is misconduct in office.

§12–311.

(a) A commissioner of an authority may be removed by the chief elected official in accordance with this section for neglect of duty or misconduct in office, including violations of local ethics laws and misconduct identified in § 12-310 of this subtitle.

(b) (1) The chief elected official shall file charges with the office of the custodian of records and promptly deliver a copy of the charges to the commissioner and to the secretary of the authority.

(2) Written notice of the date, time, and place of a hearing shall be given to the commissioner at least 14 days before the hearing.

(3) Unless the commissioner has resigned from office, the chief elected official shall hold the hearing, at which the commissioner shall have an opportunity to be represented by counsel and to be heard in person.

(4) On completion of the hearing, the chief elected official shall make written findings.

(c) If a commissioner of an authority is removed, a record of the proceedings and the charges and findings shall be filed in the office of the custodian of records.

(d) (1) On the filing of charges under subsection (b)(1) of this section with the office of the custodian of records, the chief elected official may temporarily suspend a commissioner of an authority.

(2) The chief elected official shall immediately reinstate the commissioner in office if the chief elected official finds the charges have not been substantiated.

(3) The commissioner shall be reinstated automatically, unless a hearing on removal has been held and a decision made by the chief elected official within 45 days after the filing of charges.

(4) The chief elected official may not temporarily appoint a person to perform the duties of a suspended member.

§12–312.

(a) (1) When a code authority becomes authorized to do business and exercise its powers, the political subdivision:

(i) immediately shall estimate the amount of money necessary for the administrative expenses and overhead of the code authority during the first year thereafter; and

(ii) shall appropriate that amount to the code authority out of money in the political subdivision's treasury not appropriated to some other purpose.

(2) The political subdivision shall pay the money appropriated to the code authority as a donation.

(b) (1) Subject to paragraph (2) of this subsection, the political subdivision shall appropriate to the code authority money needed to comply with any requirement imposed on it by its articles of organization, if enough money for the code authority to comply is not available from State, federal, or other sources.

(2) A political subdivision is not required to provide any money for a code authority to satisfy a judgment, liability, debt, or other financial obligation to a third party.

(c) (1) A political subdivision located wholly or partly in the area of operation of a code authority may lend, donate, or agree to lend or donate money to the code authority.

(2) The code authority, when it has the money available, shall reimburse the political subdivision for all loans made to it by the political subdivision.

§12–401.

(a) It is State policy that an authority:

(1) shall manage and operate its housing projects efficiently to enable it to fix the rent for housing units at the lowest rates consistent with its providing decent, safe, and sanitary housing units and meeting the financial needs under subsection (b) of this section; but

(2) may not operate for profit or as a source of revenue to the political subdivision.

(b) An authority shall fix the rents for housing units in its housing projects at rates no higher than it finds necessary to produce revenues that with all other available money, revenue, income, and receipts will be sufficient to:

(1) pay the principal and interest on bonds of the authority, as they become due;

(2) pay and provide for maintaining and operating the housing projects, including the cost of insurance and the administrative expenses of the authority;

(3) (i) create during a period of at least 6 years right after it issues any bonds, a reserve that can meet the largest principal and interest payments that will be due on the bonds in any year thereafter; and

(ii) maintain the reserve;

(4) create reserves for operations, emergencies, renovations, replacements, and the repayment of debt; and

(5) create funds necessary or desirable to:

(i) subsidize rents;

(ii) develop or operate housing projects; or

(iii) operate or provide services located in housing projects or that otherwise benefit their residents.

§12–402.

Except for rental units that may be occupied by others under § 12-503(a)(4) of this title, an authority:

(1) shall rent the housing units in a housing project only:

(i) to persons of eligible income, except for a reasonable number of housing units that may be occupied by management and security personnel; and

(ii) at rentals within the financial reach of persons of eligible income;

(2) may not accept a person as a tenant in a housing project if the aggregate annual income of the person or persons who would occupy the housing unit exceeds the maximum income level established for persons of eligible income; and

(3) shall prohibit subletting by tenants.

§12–403.

Except as provided in § 12-506(b)(9) of this title, all housing projects of an authority are subject to the planning, zoning, sanitary, health, fire, housing, subdivision, and building laws, ordinances, codes, rules, and regulations that apply where the housing project is located.

§12–404.

(a) At least annually, an authority shall file with the custodian of records a financial report of its activities for the preceding year and recommend any further action by the political subdivision that it considers necessary or useful to carry out the purpose of this Division II.

(b) The political subdivision may require an authority to provide it with an annual operating budget and program reports that the political subdivision designates.

(c) The political subdivision or its designee may at any time:

(1) examine the books and records of the authority; or

(2) conduct an audit of the authority.

§12–405.

This subtitle does not limit the power of an authority to vest in an obligee the right, if the authority defaults, to:

(1) take possession of a housing project;

(2) have a receiver of a housing project appointed; or

(3) acquire title to a housing project, through foreclosure or otherwise, free from all restrictions of this subtitle.

§12–501.

An authority is a public body corporate and politic that:

(1) exercises public and essential governmental functions; and

(2) has all the powers necessary or convenient to carry out the purposes of this Division II.

§12–502.

(a) In addition to any powers set forth elsewhere, an authority has the powers set forth in this section.

(b) An authority may:

(1) sue and be sued;

(2) have and alter a seal at pleasure;

(3) have perpetual existence;

(4) make contracts and other instruments necessary or convenient to the exercise of the authority's powers;

(5) make, amend, and repeal bylaws, rules, and regulations not inconsistent with this Division II; and

(6) carry out the purposes of the authority.

(c) An authority may also:

(1) prepare, carry out, acquire, own, lease, and operate housing projects in its area of operation;

(2) provide for the construction, reconstruction, improvement, alteration, or repair of a housing project;

(3) provide directly or arrange or contract for a person or governmental unit to furnish facilities or services, including drug rehabilitation, elderly or child day care, and other social services for or in connection with:

(i) a housing project; or

(ii) the residents of a housing project; and

(4) notwithstanding any other law, require in a contract in connection with a housing project that the contractor and any subcontractors comply with:

(i) requirements about minimum wages and maximum hours of labor; and

(ii) any conditions that the State or federal government attaches to financial aid for the housing project.

(d) An authority may also:

(1) make rent subsidy payments to or on behalf of persons of eligible income;

(2) rent out houses, accommodations, lands, buildings, structures, or facilities in a housing project;

(3) subject to the limitations contained in this Division II, establish and revise the rents or charges;

(4) own, hold, and improve real and personal property;

(5) purchase, lease, obtain options on, or acquire by gift, grant, bequest, devise, or otherwise any real or personal property;

(6) sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property;

(7) insure or provide for the insurance of real or personal property or operations of the authority against any risks or hazards; and

(8) get from the State or federal government insurance or guarantees of payment of debts secured by mortgages on property in any of its housing projects, whether or not the debts are incurred by the authority.

(e) (1) When an authority has money that is held in a reserve or sinking fund or is not needed for immediate disbursement, the authority may invest the money in property or securities in which savings banks may invest.

(2) An authority may purchase its bonds at not more than their principal amount and accrued interest, all bonds so purchased to be canceled.

(f) An authority may also:

(1) investigate living and housing conditions in its area of operation and ways to improve those conditions;

(2) determine where:

(i) economically depressed or physically deteriorated areas exist; or

(ii) there is a shortage of decent, safe, and sanitary housing for persons of eligible income;

(3) make studies and recommendations on clearing, replanning, and reconstructing economically depressed or physically deteriorated areas and providing housing for persons of eligible income;

(4) cooperate with the State or a political subdivision to solve the problems set forth in this subsection; and

(5) conduct research, studies, and experiments on housing issues.

(g) Acting through one or more of its commissioners or designees, an authority may also:

(1) examine, investigate, hear testimony, and take evidence at public or private hearings on any matter material to its duties;

(2) make findings and recommendations about any property where conditions pose a danger to the public health, morals, safety, or welfare; and

(3) make those findings and recommendations available to appropriate governmental units, including those that in its area of operation have the duty to:

(i) abate or require the correction of nuisances or like conditions; or

(ii) demolish unsafe or unsanitary structures.

(h) An authority may also establish and control nonprofit entities, including corporations, partnerships, and limited liability companies, that may own, operate, and take steps necessary or convenient to develop or otherwise undertake housing projects in the authority's area of operation.

(i) (1) In the manner provided under Title 12 of the Real Property Article or any other applicable statutory law, an authority may also acquire by eminent domain real property that the authority considers necessary for its purposes under this Division II, if:

(i) the authority adopts a resolution declaring that the acquisition of the real property is necessary for those purposes; and

(ii) the legislative body and the chief elected official approve.

(2) (i) Subject to subparagraph (ii) of this paragraph, property devoted to a public use may similarly be acquired by eminent domain.

(ii) Real property that belongs to the State or a political subdivision may not be acquired without the consent of the State or the political subdivision.

(j) An authority may also:

(1) borrow money and accept grants and other financial assistance from the political subdivision, the State, and the federal government and accept grants from nongovernmental sources for a housing project in its area of operation;

(2) take over, lease, or manage a housing project or undertaking constructed, financed, or owned by the political subdivision, the State, or the federal government; and

(3) comply with conditions and enter into mortgages, trust indentures, leases, and agreements as may be necessary or desirable.

§12–503.

(a) If authorized under its articles of organization, an authority within its area of operation may:

(1) make mortgage loans and mortgage subsidy payments to or for the benefit of persons of eligible income;

(2) make construction loans and long-term mortgage loans to any person to produce housing for persons of eligible income;

(3) purchase mortgages secured by housing for persons of eligible income;

(4) subject to any applicable agreement, allow a number of residents of a housing project or a part of one that the authority finances to have incomes above the levels for persons of eligible income, if the number does not exceed the percentage allowed in the articles of organization, which may not exceed 80%;

(5) acquire, develop, construct, rehabilitate, own, operate, and lease, as lessor or lessee, commercial facilities on the site of a housing project that make an economic or social contribution to the housing project, if:

(i) the commercial facilities are intended substantially for the use and benefit of the tenants of the housing project; and

(ii) the intended use by other persons is incidental;

(6) with the approval of the legislative body and the chief elected official, acquire, develop, construct, rehabilitate, own, operate, and lease, as lessor or lessee, commercial facilities that:

(i) are adjacent to the site of a housing project;

(ii) are not intended substantially for the use and benefit of the tenants of the housing project; or

(iii) are intended for use more than incidentally by persons other than the tenants of the housing project; and

(7) act and invest as a general partner and as a limited partner in housing projects.

(b) This section does not limit the powers granted to authorities by other titles in this Division II.

§12–504.

(a) An authority may exercise the powers that are granted by this Division II, even if economic competition is displaced or limited as a result.

(b) This section does not preempt or supersede the regulatory authority of a State unit under public general law.

§12–505.

Unless the General Assembly specifically states otherwise, State law on the financing, acquisition, operation, or disposition of property by other State public bodies does not apply to an authority.

§12–506.

(a) Two or more authorities may join or cooperate with one another in the exercise of any power under this subtitle to finance, plan, undertake, construct, or operate a housing project or housing projects in the area of operation of any one or more of them.

(b) To aid and cooperate in the planning, undertaking, construction, or operation of housing projects located wholly or partly in the area in which it may act, a State public body, with or without consideration and on terms that it determines, may:

(1) dedicate, sell, convey, or lease any of the State public body's property to an authority or the federal government;

(2) cause parks, playgrounds, recreational, community, water, sewer, or drainage facilities, or any other works that the State public body otherwise may undertake, to be furnished adjacent to or in connection with housing projects;

(3) furnish, dedicate, close, pave, install, grade, regrade, plan, or replan streets, roads, roadways, alleys, sidewalks, or other places that the State public body otherwise may undertake;

(4) make, with an authority, the State, or the federal government, agreements that:

(i) deal with action to be taken by the State public body under a power granted by this Division II; and

(ii) may last for any length of time, notwithstanding any other law;

(5) do what is necessary or convenient to aid and cooperate in the planning, financing, undertaking, construction, or operation of the housing projects;

(6) grant easements, licenses, or any other related rights to an authority or the federal government;

(7) cause services to be furnished to the authority of the character that the State public body otherwise may furnish;

(8) make agreements about the exercise by the State public body of its powers relating to repairing, closing, or demolishing unsafe, unsanitary, or unfit housing;

(9) plan, replan, zone, or rezone any part of the State public body, make exceptions to its sanitary, building, housing, fire, health, subdivision, or other similar laws, rules, regulations, and ordinances or make any changes to its map or master plan; and

(10) agree with an authority that the authority pay the State public body an amount, if any, in lieu of taxes for any year or period of years.

(c) Powers conferred under this section on State public bodies are in addition to and do not supplant any other power conferred by law.

(d) (1) The State public body may incur the entire expense of any public improvement that the State public body makes under this section.

(2) Notwithstanding any other law, a State public body may make a sale, conveyance, lease, or agreement provided for in this section without appraisal, public notice, advertisement, or public bidding.

§12–507.

A State public body may not require changes to be made in a housing project or the manner of its construction or take any other action relating to the construction if the authority:

(1) has acquired or taken over the housing project from the federal government; and

(2) has found and declared by resolution that the housing project was constructed in a way that will promote the public interest and afford necessary safety, sanitation, and other protection.

§12–601.

(a) An authority may develop and administer projects to make safe and sanitary housing available for military personnel.

(b) (1) An authority has all the rights, powers, privileges, and immunities under this subtitle that it has under any law relating to the ownership, development, or administration of housing projects for persons of eligible income.

(2) Except as otherwise provided in this subtitle, a project is not subject to the limitations under §§ 12-401 and 12-402 of this title, or any other limitation on the amount of rentals or the eligibility of tenants, if an authority, or another authority cooperating with it, administers the project under this subtitle:

(i) with financial aid from the federal government; or

(ii) as agent for the federal government.

(3) An authority may pay the amount that it finds necessary or desirable for any services, facilities, works, privileges, or improvements furnished for or in connection with housing for military personnel.

§12–602.

An authority may:

(1) exercise its powers to cooperate with, or act as agent for, the federal government in the development or administration of projects by the federal government to make safe and sanitary housing available for military personnel; and

(2) develop or administer such a project for the federal government.

§12–603.

A State public body has the same rights and powers to cooperate with authorities in the development or administration of projects to make safe and sanitary housing available for military personnel that the State public body has under this Division II to assist in the development or administration of housing projects for persons of eligible income.

§12–604.

Bonds issued by an authority for a project developed or administered under this subtitle are legal investments to the same extent and for the same bodies and officers as bonds issued under any other section of this Division II to develop a housing project for persons of eligible income.

§12–605.

(a) This subtitle is an independent authorization for an authority to:

(1) develop or administer projects to make safe and sanitary housing available for military personnel as provided in this Division II; and

(2) cooperate with, or act as agent for, the federal government in the development or administration of similar projects by the federal government.

(b) Except for laws relating to land acquisition, an authority acting under this subtitle is not subject to any limitation, restriction, or requirement of any other law that sets forth the procedure or action to develop or administer public works.

(c) To develop speedily or administer projects for safe and sanitary housing for military personnel, an authority may do all that is necessary or desirable to:

(1) work with or act as agent for the federal government;

(2) get financial aid; and

(3) carry out the purposes of this subtitle.

§12–606.

An authority may exercise its powers anywhere in the State as an agent or lessee of the federal government in the development, construction, operation, or management of a project undertaken by the federal government for housing military personnel.

§12–607.

(a) The powers conferred under this subtitle are in addition to and do not supplant any other powers conferred by law.

(b) This subtitle does not limit any other power of an authority.

§12–701.

(a) An authority may:

(1) issue bonds for any of its corporate purposes;

(2) issue refunding bonds to pay or retire its bonds; and

(3) issue any kinds of bonds, including bonds on which the principal and interest are payable:

(i) only from the income and revenues of the housing project financed with the proceeds of the bonds or with these proceeds and a grant from the State or federal government in aid of the housing project;

(ii) only from the income and revenues of designated housing projects whether or not they were financed wholly or partly with the proceeds of the bonds; or

(iii) from its revenues generally.

(b) To secure any of its bonds, an authority may pledge any revenue or mortgage a housing project or other property of the authority.

§12–702.

(a) Bonds of an authority are issued for an essential public and governmental purpose.

(b) (1) Neither a commissioner of an authority nor a person who executes the bond for an authority is personally liable on the bonds.

(2) Neither the State nor a political subdivision is liable on the bonds.

(c) The bonds of an authority:

(1) are not a debt of the State or a political subdivision and shall state so on their face;

(2) are payable only out of money or property of the authority; and

(3) are not an indebtedness for purposes of a constitutional or statutory debt limitation or restriction.

(d) Bonds issued under this Division II and their transfer and the income from them, including any profit made on their sale, shall be free from taxation of every kind by the State and by all political subdivisions.

(e) Bonds issued by an authority are negotiable for the purposes of the Maryland Uniform Commercial Code, subject to the registration provisions of the Code.

(f) (1) Bonds issued by an authority are securities in which money may be invested by:

(i) public officers and governmental units of the State or its political subdivisions;

(ii) banks, trust companies, savings and loan associations, investment companies, and others carrying on a banking business;

(iii) insurance companies, insurance associations, and others carrying on an insurance business;

(iv) personal representatives, guardians, trustees, and other fiduciaries; and

(v) all other persons.

(2) Money that may be invested in the bonds includes capital that an investor owns or controls.

(g) Bonds issued by an authority are securities that may be deposited with or received by any State or municipal officer, governmental unit, or political subdivision of the State for any purpose for which the deposit of bonds of the State is authorized by law.

(h) (1) This subsection:

(i) is intended only for any public approval requirement of the Internal Revenue Code relating to the issuance of tax-exempt obligations; and

(ii) does not determine whether an authority is a governmental unit of the State or of a political subdivision.

(2) Subject to paragraph (1) of this subsection, an authority authorized under a resolution or ordinance of a political subdivision derives its authorization from the resolution or enactment rather than directly from State law.

§12–703.

(a) (1) Bonds of an authority shall be authorized by its resolution and may be issued in one or more series.

(2) The resolution, the trust indenture, or the mortgage shall provide for the bonds:

(i) a date or dates;

(ii) the time or times of maturity;

(iii) the interest rate or rates;

(iv) the denomination or denominations;

(v) whether they will be in coupon or registered form;

(vi) the conversion or registration privileges;

(vii) their rank or priority;

(viii) the manner of execution;

(ix) the medium of payment;

(x) the place or places of payment; and

(xi) the terms of redemption, with or without premium.

(3) Bonds may be sold at public or private sale in the manner and on the terms that a resolution of the authority authorizes.

(b) If a commissioner or officer of the authority whose signature is on a bond or coupon leaves office before the bond is delivered, the signature nevertheless is valid and sufficient, the same as if the commissioner or officer had remained in office until delivery.

(c) A bond reciting in substance that it has been issued by an authority to aid in financing a housing project to provide housing for persons of eligible income shall be considered to have been issued for that purpose in a proceeding involving the validity or enforceability of the bond or its security.

§12–704.

(a) In connection with issuing bonds or incurring obligations under leases, and to secure payment of the bonds or obligations, an authority, in addition to its other powers, may:

(1) pledge any or all of the gross or net rents, fees, or revenues that are or will become due to it;

(2) mortgage any or all of the real or personal property that it owns or will own;

(3) covenant against:

(i) pledging any or all of its rents, fees, or other revenue;

(ii) mortgaging any or all of the real or personal property that it owns or will own; or

(iii) suffering any lien on anything listed under item (i) or (ii) of this item;

(4) covenant about limits on its right to sell, lease, or dispose of all or part of a housing project;

(5) covenant as to what other debts or obligations it may incur;

(6) covenant as to:

(i) the bonds to be issued;

(ii) their issuance, in escrow or otherwise; and

(iii) the use and disposition of their proceeds;

(7) provide for the replacement of lost, destroyed, or mutilated bonds;

(8) covenant against extending the time for the payment of its bonds or interest on them;

(9) redeem the bonds, covenant for their redemption, and provide the terms and conditions for their redemption;

(10) covenant, subject to the limitations in this Division II, as to:

(i) the rents and fees to be charged in the operation of a housing project or projects;

(ii) the amount to be raised each year or other period by rents, fees, and other revenues; and

(iii) the use and disposition of the rents, fees, and other revenues;

(11) create or authorize the creation of special funds for money held for construction or operating costs, debt service reserves, or other purposes, and covenant as to the use and disposition of the money held in those funds;

(12) prescribe any procedure by which the terms of contracts with bondholders may be amended or abrogated, the dollar amount of bonds whose holders must consent to an amendment or abrogation, and the way in which consent may be given;

(13) covenant as to the use of any or all of the authority's real or personal property, the replacement of the property, the insurance to be carried on the property, and the use and disposition of insurance money;

(14) covenant as to the rights, liabilities, powers, and duties arising on the breach by it of a covenant, condition, or obligation;

(15) covenant and prescribe as to the events of default and terms and conditions on which any or all of its bonds become or may be declared due before maturity, and as to the terms and conditions on which a declaration and its consequences may be waived;

(16) vest in a trustee or trustees or in the bondholders or any proportion of them the right to enforce:

(i) payment of the bonds; or

(ii) covenants securing or relating to the bonds;

(17) vest in a trustee or trustees the right, if the authority defaults, to:

(i) take in possession, use, operate, and manage all or part of a housing project;

(ii) collect the rents and revenues; and

(iii) dispose of the money in accordance with the agreement of the authority with the trustee or trustees;

(18) provide for the powers and duties of a trustee or trustees and limit the liabilities of the trustee or trustees;

(19) provide the terms and conditions on which the trustee or trustees or bondholders or any proportion of them may enforce any covenant or rights securing or relating to the bonds;

(20) make other covenants of a character like or unlike that of the covenants expressly authorized under this section; and

(21) make covenants and do acts and things that, although not listed in this section:

(i) are necessary, convenient, or desirable to secure the bonds of the authority; or

(ii) in the discretion of the authority, will tend to make the bonds more marketable.

(b) (1) A pledge made by an authority is binding from the time the pledge is made.

(2) The lien of the pledge, without any physical delivery or further act, attaches immediately to revenues or property pledged and thereafter received by an authority.

(3) The lien is binding against all persons having claims against the authority, whether or not:

(i) those persons have notice of the pledge; or

(ii) the determination or other instrument has been recorded or filed.

§12–705.

(a) In addition to all other rights that a contract may confer on an obligee of an authority, subject only to binding contractual restrictions, the obligee may:

(1) by a writ of mandamus or a proceeding at law or in equity, compel the authority and the authority's commissioners, officers, agents, or employees to perform each term, provision, and covenant contained in a contract of the authority with or for the benefit of the obligee;

(2) require the carrying out of any covenant or agreement of the authority and the fulfillment of all duties imposed on the authority by this Division II; and

(3) by a proceeding in equity, enjoin any unlawful act or thing or the violation of any right of the obligee.

(b) (1) By resolution, trust indenture, mortgage, lease, or other contract, an authority may confer the right to take action under subsection (c) of this section if a default, as defined in the resolution or instrument, occurs.

(2) The right may be conferred on an obligee that:

(i) holds or represents a specified amount in bonds or notes; or

(ii) holds a mortgage, deed of trust, security instrument, or lease.

(c) (1) An obligee that has the right under subsection (b) of this section to take action under this subsection may, by a proceeding in a court of competent jurisdiction:

(i) have possession of all or part of a housing project surrendered to any such obligee;

(ii) require the authority and its commissioners to account as if the authority and its commissioners were trustees of an express trust; and

(iii) have a receiver appointed for all or part of a housing project and its rents and profits.

(2) If a receiver is appointed, the receiver may:

(i) enter and take possession of the housing project or any part of the housing project;

(ii) operate and maintain it; and

(iii) collect and receive all fees, rents, revenues, or other charges thereafter arising from it.

(3) The receiver shall keep the money in a separate account or accounts and apply the money in accordance with the obligations of the authority as the court directs.

§13–101.

(a) In this title the following words have the meanings indicated.

(b) "Annapolis Authority" means the Housing Authority of the City of Annapolis.

(c) "Commissioner" means a Commissioner of the Annapolis Authority.

§13–102.

Title 12 of this article applies to the Annapolis Authority except where it is inconsistent with this title.

§13–103.

The Housing Authority of the City of Annapolis is a public body corporate and politic that:

(1) exercises public and essential governmental functions; and

(2) has all the powers necessary or convenient to carry out the purposes of this Division II.

§13–104.

(a) (1) The Annapolis Authority consists of seven Commissioners appointed by the Mayor of Annapolis and approved by the Annapolis City Council.

(2) Of the seven Commissioners:

(i) one shall be a tenant of an Annapolis Authority property other than an Annapolis Authority property for seniors; and

(ii) one shall be a tenant of an Annapolis Authority property for seniors.

(b) (1) The term of a Commissioner is 5 years.

(2) The terms of Commissioners are staggered as required by the terms provided for Commissioners on October 1, 2006.

(3) At the end of a term, a Commissioner continues to serve until a successor is appointed and qualifies.

(4) A Commissioner who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

(c) (1) Except as provided in paragraph (2) of this subsection, a Commissioner while in office and for 2 years after leaving office may not be employed by the Annapolis Authority for compensation on a permanent or temporary full-time, part-time, contractual, or other basis.

(2) Subject to approval by the Mayor of Annapolis and by the United States Department of Housing and Urban Development, the prohibition contained in paragraph (1) of this subsection may be waived for good cause shown.

§13–105.

(a) Notwithstanding any other law, the Annapolis Authority's Commissioners, Executive Director, and deputy directors are local officials under any public ethics law of the Annapolis City Council.

(b) (1) When first retained by the Annapolis Authority, attorneys and consultants shall disclose potential conflicts of interest relating to representation of the Annapolis Authority.

(2) The Annapolis Authority shall adopt regulations to carry out this subsection.

§13–106.

The Annapolis Authority may remove the Executive Director by the affirmative vote of at least five Commissioners.

§13–107.

(a) (1) Except as provided in paragraph (3) of this subsection, the Annapolis Authority shall publish notice of each of its meetings in at least two newspapers of general circulation in the City of Annapolis at least 7 days before the meeting.

(2) The notice shall contain:

(i) the date, time, and place of the meeting; and

(ii) a summary of the subject matter to be considered at the meeting.

(3) The Chair of the Annapolis Authority may waive the notice required under paragraph (1) of this subsection for an emergency meeting if:

(i) notice cannot reasonably be given; and

(ii) minutes of the emergency meeting will be included in the minutes of the next open meeting of the Annapolis Authority.

(4) The Annapolis Authority may add an item to the agenda for the meeting after publication of the notice if the item is necessary to the business of the Annapolis Authority and could not reasonably have been placed on the agenda when the notice was published.

(b) (1) The Annapolis Authority may meet in closed session or adjourn an open session and reconvene in a closed session only to:

(i) discuss the appointment, employment, assignment, promotion, discipline, demotion, removal, or resignation of appointees, employees, or officials over whom the Annapolis Authority has jurisdiction;

(ii) consider the acquisition of real property for a public purpose and matters directly related to the acquisition;

(iii) consult with counsel;

(iv) consult with staff, consultants, or other individuals about pending or potential litigation;

(v) comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter; or

(vi) satisfy an exceptional reason, if at least two–thirds of the Commissioners present vote to find that the reason is so compelling that it overrides the general public policy in favor of open sessions.

(2) The Annapolis Authority meeting in closed session under this section may not discuss or act on any matter not specified under paragraph (1) of this subsection.

§13–108.

(a) Except as provided in subsection (c) of this section, unless the action is approved in advance by the Annapolis Authority at an open meeting, the Annapolis Authority may not:

(1) award a contract exceeding $5,000;

(2) pay more than $350 for official travel, hotel, and meal expenses; or

(3) pay more than $350 for items for personal use, including automobiles.

(b) The Annapolis Authority may not reimburse a Commissioner or an employee for expenses incurred unless the reimbursement is approved in advance by the Annapolis Authority at an open meeting.

(c) In an emergency, the Annapolis Authority or the Executive Director may award a contract exceeding $5,000 if the contract is brought before the Annapolis Authority for review at its next regularly scheduled meeting.

(d) Money awarded or spent in violation of this section may be recovered by the Annapolis Authority or the City of Annapolis, as appropriate, from the person compensated, together with costs and reasonable attorney's fees that the court determines.

§13–109.

(a) The Annapolis Authority shall adopt purchasing provisions that conform to the Code of the City of Annapolis.

(b) All purchases by the Annapolis Authority that are not specifically regulated by federal procurement requirements shall be made:

(1) as provided by the provisions adopted under this section; or

(2) as approved by federal authorities.

§13–110.

(a) At least 30 days before submission of the proposed annual operating budget to the United States Department of Housing and Urban Development, the Annapolis Authority shall publish a brief summary of the proposed annual operating budget in at least two newspapers of general circulation in the City of Annapolis.

(b) At least 2 weeks before the submission of a proposed annual operating budget, the Annapolis Authority shall hold an open meeting that gives the public an adequate opportunity to comment to the Executive Director of the Annapolis Authority and its Board of Commissioners.

(c) At least 5 days before the open meeting required under subsection (b) of this section, the Annapolis Authority shall make the proposed annual operating budget available to the public.

§13–111.

(a) Before March 1 of each year, the Annapolis Authority shall submit an audit of its books and records to the Mayor of Annapolis and City Council of Annapolis.

(b) The audit shall:

(1) be performed in accordance with the federal Single Audit Act, 31 U.S.C. §§ 7501-7507;

(2) follow generally accepted governmental auditing standards; and

(3) be performed by an independent certified public accountant approved by the Annapolis Authority and by federal authorities.

§13–112.

(a) Except as provided in subsection (b) of this section, a State public body may not make an exception for the Annapolis Authority to a law, a rule, a regulation, or an ordinance that:

(1) operates in the City of Annapolis; and

(2) relates to:

(i) licensure; or

(ii) the inspection of real property.

(b) A State public body may, for the Annapolis Authority:

(1) extend the time period, within an inspection cycle, for the reinspection of a unit that fails an initial inspection; or

(2) waive a fee or fine that is associated with the licensure or inspection of real property.

§14–101.

Title 12 of this article applies to the Housing Commission of Anne Arundel County, formerly the Housing Authority of Anne Arundel County, except where it is inconsistent with this title.

§14–102.

The Housing Commission of Anne Arundel County is a public body corporate and politic that:

(1) exercises public and essential governmental functions; and

(2) has all the powers necessary or convenient to carry out the purposes of this Division II.

§14–103.

(a) The Housing Commission of Anne Arundel County consists of seven Commissioners, appointed by the County Executive.

(b) The term of a Commissioner is 4 years coterminous with that of the County Executive.

(c) A Commissioner who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

§15–101.

(a) In this title the following words have the meanings indicated.

(b) "Baltimore Authority" means the Housing Authority of Baltimore City.

(c) (1) "Housing project" means a work or undertaking that is planned, acquired, owned, used, developed, constructed, reconstructed, rehabilitated, or improved to provide:

(i) housing, of which a substantial part shall be for persons of eligible income; and

(ii) streets, roads, sewers, water service, and other supporting public or private commercial, educational, cultural, recreational, community, or civic facilities that are needed for sound community development.

(2) "Housing project" includes lands, buildings, improvements, and other real or personal property.

(d) "Person of eligible income" means an individual or a family that lacks sufficient income or assets without financial assistance to live in decent, safe, and sanitary housing without overcrowding.

§15–102.

Title 12 of this article applies to the Baltimore Authority except where it is inconsistent with this title.

§15–103.

The General Assembly finds that:

(1) in Baltimore City and in the area of operation of the Baltimore Authority there is unsafe and unsanitary housing, and there is a critical shortage of decent, safe, and sanitary housing that persons of eligible income can afford to rent or buy;

(2) as a result of this shortage, persons of eligible income must occupy overcrowded and congested housing or must pay too much of their income for shelter;

(3) these conditions require too much public money to be spent for public health and safety, fire and accident protection, crime prevention and punishment, and other public services and facilities;

(4) the shortage of decent, safe, and sanitary housing cannot be wholly relieved through private enterprise, and therefore building housing for persons of eligible income and spending public money to help get it built do not compete with private enterprise;

(5) the construction and operation of housing to remedy the conditions described in this section and the implementation of this title are valid public purposes and essential government functions for which public money may be spent; and

(6) the provisions of this title are necessary in the public interest.

§15–104.

The Housing Authority of Baltimore City is a public body corporate and politic that:

(1) exercises public and essential governmental functions; and

(2) has all the powers necessary or convenient to carry out the purposes of this Division II.

§15–105.

(a) In addition to the powers listed elsewhere in this Division II and any powers given by local law, the Baltimore Authority within its area of operation may:

(1) make mortgage loans;

(2) make rent subsidy payments to or for persons of eligible income;

(3) make construction loans and long-term mortgage loans to any person to produce housing for persons of eligible income; and

(4) purchase and insure mortgages secured by housing for persons of eligible income.

(b) Not more than 80% of the residents of a housing project may have incomes above the levels for persons of eligible income.

(c) The listing of powers in this section does not imply that the exercise of those powers by the Baltimore Authority before July 1, 1990, was unauthorized.

(d) The power of the Baltimore Authority to rent housing to persons of eligible income is not limited by § 12-402 of this article.

§15–106.

An employee of the Baltimore City Department of Housing and Community Development or of any unit succeeding to its functions may be a Commissioner of the Baltimore Authority.

§15–107.

A housing project may not be commenced, arranged, contracted for, or carried out in the City of Baltimore unless the Board of Estimates of Baltimore City approves its location.

§15–108.

(a) In this section, "Baltimore Authority police officer" means a member of the Housing Authority of Baltimore City Police Force who, when acting in an official capacity, may make arrests.

(b) There is a Housing Authority of Baltimore City Police Force.

(c) The Executive Director of the Baltimore Authority or the Director's designee shall appoint the Baltimore Authority police officers.

(d) (1) A Baltimore Authority police officer has all of the powers of a law enforcement officer in the State.

(2) A Baltimore Authority police officer may exercise these powers on property that is owned, leased, operated by, or under the control of the Baltimore Authority.

(3) A Baltimore Authority police officer may exercise these powers elsewhere only if:

(i) doing so is necessary to facilitate the orderly flow of traffic to or from property that is owned, leased, operated by, or under the control of the Baltimore Authority; or

(ii) the officer is:

1. ordered to do so by the Mayor of Baltimore City;

2. asked or authorized to do so by the Police Commissioner of Baltimore City; or

3. engaged in fresh pursuit of a suspected offender.

(e) (1) The Baltimore Authority shall adopt standards, qualifications, and prerequisites of character, training, education, human and public relations, experience, and performance for Baltimore Authority police officers.

(2) To the extent feasible, the standards shall be similar to those adopted for the Baltimore City Police Department.

(f) (1) This section does not:

(i) treat a Baltimore Authority police officer as a member of the Baltimore City Police Department; or

(ii) affect the salary, benefits, or retirement program of an employee of the Baltimore Authority.

(2) The list of powers in this section does not imply that the exercise of powers by the Baltimore Authority before July 1, 1991, was unauthorized.

§15–109.

(a) (1) The Baltimore Authority may recognize and engage in collective bargaining with the exclusive bargaining representatives of all appropriate employee bargaining units, including units consisting of:

(i) maintenance, housekeeping, and technical personnel;

(ii) administrative and clerical personnel; and

(iii) supervisory personnel.

(2) The power under paragraph (1) of this section includes the power of the Baltimore Authority to:

(i) deal with and, through an exclusive bargaining representative, address grievances and settle disputes;

(ii) meet and bargain in good faith with an exclusive bargaining representative about wages, hours, working conditions, and other terms and conditions of employment to form a binding labor agreement; and

(iii) draft and execute labor agreements that last not more than 3 consecutive fiscal years.

(3) A bargaining unit under paragraph (1) of this subsection may not include:

(i) confidential employees;

(ii) contractual employees employed for less than 5 consecutive years;

(iii) probationary employees;

(iv) attorneys in the general counsel's office;

(v) supervisors, as defined in 29 U.S.C. § 152(11); or

(vi) employees whose main responsibility is to manage or direct independently the assets and affairs of the Baltimore Authority.

(b) The Baltimore Authority may engage in binding third-party arbitration of:

(1) disputes over a term or condition of employment; and

(2) grievances that relate to the interpretation or application of a written collective bargaining agreement, employment regulation, or work rule.

(c) The Baltimore Authority may exercise any power that is necessary and appropriate to establish and implement a system of collective bargaining with its employees.

§16–101.

(a) In this title the following words have the meanings indicated.

(b) "Commissioner" means a Commissioner of the Montgomery Commission.

(c) "Housing project" means an undertaking or project, including lands, buildings and improvements, and real and personal property, that is planned, acquired, owned, used, developed, constructed, reconstructed, rehabilitated, or improved to provide:

(1) housing, a substantial part of which is for persons of eligible income; and

(2) streets, roads, sewer and water service, and other supporting public or private commercial, educational, cultural, recreational, community, or civic facilities needed for sound community development.

(d) "Montgomery Commission" means the Housing Opportunities Commission of Montgomery County.

(e) "Person of eligible income" means an individual or family that qualifies under § 16-108 of this subtitle.

§16–102.

Title 12 of this article applies to the Montgomery Commission except where it is inconsistent with this title.

§16–103.

This title applies only to Montgomery County.

§16–104.

The General Assembly finds that:

(1) there is unsafe and unsanitary housing in the county and there is a critical shortage of decent, safe, and sanitary housing that persons of eligible income can afford to rent or buy;

(2) as a result, persons of eligible income must occupy overcrowded and congested housing or must pay too much of their income for shelter;

(3) these conditions cause too much public money to be spent for crime prevention and punishment, public health and safety, fire and accident protection, and other public services and facilities;

(4) there is a public emergency in the county caused in part by rapidly rising construction costs, operating and maintenance expenses, and the increase in conversions of rental housing to condominiums;

(5) the serious problems created by these inflationary conditions and conversions include:

(i) a major displacement of large numbers of tenants, including elderly individuals and individuals with disabilities, from their housing;

(ii) a scarcity of low and moderate income housing on the market as demand for such housing increases;

(iii) too few rental units available, planned, or under construction to replace the rental units being converted into condominiums; and

(iv) frustration of general plan concepts of balanced housing mix and adequate housing for all economic segments of the community;

(6) the shortage of decent, safe, and sanitary housing cannot be wholly relieved through private enterprise, and therefore building housing for persons of eligible income and spending public money to help get it built or ready for use do not compete with private enterprise;

(7) to remedy these conditions, construction and operation of such housing as set forth in this title are valid public purposes and essential government functions for which public money may be spent; and

(8) this title is necessary in the public interest.

§16–105.

(a) The Housing Opportunities Commission of Montgomery County, formerly the Housing Authority of Montgomery County, is a public body corporate and politic that:

(1) exercises public and essential governmental functions; and

(2) has all the powers necessary or convenient to carry out the purposes of this Division II.

(b) A committee of the Commission is a public body for the purposes of the Open Meetings Act.

§16–106.

(a) (1) The Montgomery Commission consists of seven Commissioners nominated by the County Executive and approved by the County Council.

(2) The County Council shall conduct a public interview with each nominee before voting on whether to approve the nominee's appointment.

(b) The term of a Commissioner is 5 years.

(c) Removal of a Commissioner by the County Executive requires the approval of the County Council.

§16–107.

(a) Under the powers given elsewhere in this Division II, the Montgomery Commission may provide housing or housing projects for persons of eligible income, but may do so only in accordance with local law or under a contract with Montgomery County.

(b) In accordance with subsection (a) of this section and in addition to the powers listed elsewhere in this Division II or given by local law, the Montgomery Commission may:

(1) make mortgage loans and rent subsidy payments to persons of eligible income;

(2) make construction loans and long-term mortgage loans to any person to produce housing for persons of eligible income; and

(3) purchase mortgages secured by housing for persons of eligible income.

(c) Under the powers listed elsewhere in this Division II, the Montgomery Commission may:

(1) enter into development agreements as may be necessary or convenient in which:

(i) at least 50% of the units are initially occupied by individuals of families whose income individually or as part of a family unit is equal to or less than:

1. 60% of the median income for the statistical area in which the units are located as determined by the federal Office of Management and Budget; or

2. a lesser income that may be determined by the chief elected official or chief elected official's designee in the jurisdiction in which the property is located; or

(ii) at least 20% of the units are initially occupied by individuals who are eligible for federal subsidies; and

(2) contract to furnish services, consultation, advice, and assistance to other housing authorities or other persons in or outside of the State to assist in developing, managing, renovating, or constructing housing described under item (1) of this subsection.

§16–107.1.

The Montgomery Commission shall:

(1) prepare written minutes of each meeting as soon as practicable after the meeting; and

(2) stream live video of the open meetings of the Montgomery Commission.

§16–108.

(a) An individual or family qualifies as a person of eligible income if the individual or family lacks enough income or assets without financial assistance to live in decent, safe, and sanitary housing without overcrowding.

(b) (1) The County Executive, or the County Executive's designee, shall determine whether an individual or family qualifies as a person of eligible income.

(2) For elderly individuals, individuals with disabilities, and other individuals or families with special needs, the County Executive or the County Executive's designee may adjust the requirements for qualifying as a person of eligible income if the County Executive or designee considers that other standards are more appropriate to achieve the public purposes stated in this subtitle.

(3) A determination made under this subsection is conclusive of the matters determined.

(c) (1) The County Executive may change the definition of "person of eligible income" by issuing a proposed regulation.

(2) The regulation shall take effect only after a public hearing held in accordance with procedures established by the County Council.

§16–109.

A substantial part of the housing in a housing project is deemed to be for persons of eligible income if:

(1) after financing is provided by the Montgomery Commission, 50% or more of the housing units are occupied first by persons of eligible income;

(2) 20% or more of the housing units are for low-income persons who are assisted or who are eligible to be assisted with federal subsidies; or

(3) the owners of the housing certify to the Montgomery Commission that they will make their best efforts to meet the standard under item (1) or (2) of this section.

§16–110.

(a) By May 1 each year, the Montgomery Commission shall submit its proposed budget to the County Council.

(b) The public shall have an appropriate opportunity to comment on the proposed budget.

§16–111.

(a) On or before November 30 each year, the Montgomery Commission shall issue a financial report for the previous fiscal year based on a certified audit.

(b) (1) On or before December 15 each year, the Montgomery Commission shall publish on its website:

(i) the financial report issued under subsection (a) of this section; and

(ii) a full and complete copy of the certified audit report for the previous fiscal year.

(2) Subject to paragraph (3) of this subsection, in performing the duties required under paragraph (1) of this subsection, the Montgomery Commission shall publish all information in a public record that relates to a financial report or a certified audit report of which the Montgomery Commission is not specifically required to deny an inspection under the Public Information Act.

(3) Paragraph (2) of this subsection may not be construed as a waiver of information that is protected by privilege.

§16–112.

(a) The County Executive and County Council may require an audit of the books of the Montgomery Commission.

(b) To perform the audit, the County Executive and County Council may choose:

(1) an independent certified public accountant licensed by the State; or

(2) a firm of certified public accountants licensed by the State.

(c) The Montgomery Commission shall pay for the audit out of its operating budget.

§16–113.

(a) (1) In this section the following words have the meanings indicated.

(2) (i) "Payee" means a person that receives from the Montgomery Commission an aggregate payment of at least $25,000 in a single fiscal year.

(ii) "Payee" does not include:

1. an employee of the Montgomery Commission with respect to the employee's compensation; or

2. a retiree of the Montgomery Commission with respect to the retiree's retirement allowance.

(3) "Payment data" means, at a minimum, the following information for a particular fiscal year:

(i) the name of each payee that received a payment from the Montgomery Commission;

(ii) the location of the payee by postal zip code;

(iii) the amount of the payment; and

(iv) the purpose of the payment.

(4) "Searchable website" means a website created in accordance with this section that allows a user to search and display payment data of the Montgomery Commission.

(b) On or before December 1, 2021, the Montgomery Commission shall report payment data in accordance with subsection (c) of this section.

(c) (1) The Montgomery Commission shall develop and operate a single searchable website accessible to the public at no cost.

(2) The searchable website shall allow a user to:

(i) search payment data for fiscal year 2020 and each fiscal year thereafter; and

(ii) search by the following data fields:

1. payee name; and

2. payee zip code.

(d) This section may not be construed to require the disclosure of information that is required to be kept confidential under federal, State, or local law.

§16–201.

(a) Montgomery County may provide by local law for the county's guarantee of the principal and interest on bonds that the Montgomery Commission issues:

(1) to finance the acquisition, provision, development, or rehabilitation of housing at rental rates and prices not being offered in adequate quantity by the private sector; or

(2) to finance wholly or partly:

(i) mortgage loans secured by the housing; and

(ii) fund-related reserves and costs that are approved under this subtitle.

(b) When a mortgage loan is financed partly by bonds guaranteed by Montgomery County and partly by bonds not so guaranteed, the part of the mortgage loan that is financed by bonds not so guaranteed shall be insured by:

(1) the Federal Housing Administration;

(2) the Maryland Housing Fund;

(3) a private mortgage insurer that is:

(i) authorized to do business in the State; and

(ii) approved by the Federal National Mortgage Association or the Federal National Mortgage Loan Corporation; or

(4) more than one of these insurers.

§16–202.

(a) (1) The Montgomery Commission shall meet the terms and conditions that the county government imposes in guaranteeing bonds issued under this subtitle and § 12-702 of this article.

(2) If guaranteed revenue bonds are to finance the total cost of the housing, the Montgomery Commission shall meet any requirements that the county government imposes after the bonds are issued to protect the financial solvency of the housing project.

(b) The total principal of the bonds guaranteed under this subtitle may not exceed $50,000,000.

§16–203.

(a) Except as provided in subsections (b) and (c) of this section, the bonds authorized to be guaranteed under this subtitle are subject to § 312 of the County Charter.

(b) The bonds may be structured with:

(1) substantially level debt service payments; and

(2) interest-only payments during the projected period for construction or rehabilitation of the housing project financed with bonds issued under this subtitle and § 12-702 of this article.

(c) (1) The bonds shall be issued on a serial maturity plan.

(2) Part of each issue may be sold as term bonds structured with mandatory sinking fund payments, if required for market acceptance and approved by the county government in the manner specified by the County Council resolution adopted under § 16-206 of this subtitle.

§16–204.

(a) (1) On determining to issue bonds, the Montgomery Commission shall provide to the County Executive information about the bonds and the housing projects benefiting from the bond proceeds.

(2) The information shall include:

(i) the terms and conditions of the bonds;

(ii) an estimate of the bond interest rate and the basis for the estimate;

(iii) the estimated timing and other provisions about the advertising and sale of the bonds;

(iv) a description of the proposed housing project, with detailed estimates of construction and related costs to make it ready to rent or sell;

(v) detailed estimates of operating costs and debt service;

(vi) schedules of reserves for depreciation and major maintenance;

(vii) separate schedules that show how, after allowance for vacancies, revenues are expected to cover:

1. operating costs;

2. debt service and capital costs; and

3. reserves for depreciation and major maintenance;

(viii) separate schedules that:

1. show the cost, benefit, and effect on rent schedules of added safeguards to ensure solvency of the housing project;

2. address devices such as mortgage insurance and debt service reserves; and

3. state the recommendation of the Montgomery Commission on use of those devices;

(ix) a description of the terms and conditions for construction of the housing project, including any safeguards against construction default and the conditions under which construction financing is to be provided by the Montgomery Commission; and

(x) a description of the accounting system for recording and controlling expenditures of bond funds, debt service, operating costs, reserves, and revenues.

(b) Each housing project shall be established as an independent accounting entity for revenues, expenditures, debt service, and reserves.

§16–205.

(a) The local law implementing this subtitle shall provide procedures for review and approval of the issuance of bonds guaranteed by the county government.

(b) (1) The procedures shall include requirements for the County Executive to:

(i) comment on the feasibility of the proposed bond guarantee and each housing project contemplated by the proposed bond guarantee; and

(ii) recommend whether the proposed bond guarantee should be approved and any terms and conditions for approval.

(2) If the County Executive recommends approval, the recommendation shall include a statement that the proposed housing project is fully self-supporting.

(3) (i) Except as provided in subparagraph (ii) of this paragraph, a recommendation by the County Executive to approve the proposed bond guarantee shall be supported by an acceptable independent feasibility study or studies that the Montgomery Commission submits.

(ii) The County Executive may waive the feasibility study requirement for a housing project financed, insured, or assisted by the State or the federal government.

§16–206.

(1) After considering the recommendations of the County Executive and holding a public hearing, the County Council shall approve, approve with modifications, or disapprove the proposed bond guarantee.

(2) The County Council shall state the terms and conditions of an approved bond guarantee, including:

(i) the maximum interest payable;

(ii) the terms of the bond issue;

(iii) the purposes for which the bond proceeds may be expended; and

(iv) the method of controlling the expenditures of the bond proceeds and the revenues and expenditures for housing projects financed by the bond proceeds.

§16–207.

(a) (1) An approval of a bond guarantee by the County Council shall be submitted to the County Executive within 3 days for concurrence or disapproval.

(2) If the County Executive does not communicate disapproval and reasons for the disapproval to the County Council within 10 days after receipt of an approval of a bond guarantee from the Council, the Council's approval shall stand.

(b) The County Council may override a disapproval of a bond guarantee by a vote of at least six members.

(c) The County Council may rescind an approval of a bond guarantee by resolution adopted:

(1) before the advertisement of the bonds; or

(2) if the sale is to be private, before the earlier of:

(i) the sale of the bonds; and

(ii) the distribution of a related offering circular.

§16–208.

(a) On request of the Montgomery Commission, the county may allocate by local law a part of the total guarantee authorized by this subtitle in an amount that the local law determines.

(b) (1) Without further approval by the County Council, the County Executive may approve by executive order the use of all or part of the allocation authorized under subsection (a) of this section as a bond guarantee.

(2) The Montgomery Commission may then issue bonds guaranteed by as much of the allocation as the County Executive has approved as a bond guarantee, and the proceeds of the bonds shall be used to:

(i) finance wholly or partly mortgage loans secured by housing; and

(ii) fund related reserves and costs approved under this subtitle.

§16–209.

(a) (1) The Montgomery Commission shall provide annually to the county government an audit of each housing project financed by bonds guaranteed by the county.

(2) The audit shall be done by:

(i) an independent certified public accountant licensed by the State; or

(ii) a firm of independent certified public accountants licensed by the State.

(3) The accountant or firm of accountants shall provide appropriate certified financial statements and a management letter on the financial soundness of the housing project.

(b) The county government may undertake financial and compliance audits on housing projects financed by bonds guaranteed under this subtitle.

§16–210.

A bond stating in substance that it has been issued by the Montgomery Commission to help finance a housing project for persons of eligible income shall be considered to have been issued for that purpose in a proceeding in which the validity or enforceability of the bond or the security for the bond is in question.

§16–211.

Montgomery Commission bonds may be sold at a public or private sale in the manner and on the terms authorized by resolution of the Montgomery Commission.

§16–301.

This subtitle does not apply to:

(1) an attorney in the General Counsel's office;

(2) an employee who assists or acts in a confidential capacity for an individual who formulates, determines, or carries out management policies in the field of labor-management relations;

(3) a Montgomery Commission merit system employee during the employee's initial probationary period; or

(4) a supervisor, as defined in § 2(11) of the National Labor Relations Act, 29 U.S.C. § 152(11).

§16–302.

(a) Montgomery Commission employees are divided into two bargaining units:

(1) the office/professional/technical unit; and

(2) the service/labor/trade unit.

(b) The office/professional/technical unit includes:

(1) office classification titles in which employees are responsible for communications, recording and retrieving information, and paperwork required in an office;

(2) professional classification titles in which employees have special or theoretical knowledge that usually is acquired through college training, other training that provides comparable knowledge, or work experience;

(3) paraprofessional classification titles in which employees perform, in a supportive role, some duties of a professional or technician that usually require less formal training or experience than those duties performed by those with professional or technical status; and

(4) technical classification titles in which employees have both basic scientific or technical knowledge and manual skill that are usually acquired through specialized postsecondary school education or through equivalent on-the-job training.

(c) The service/labor/trade unit includes:

(1) classification titles in which employees:

(i) perform service and maintenance;

(ii) may operate specialized machinery or heavy equipment; and

(iii) have duties that contribute to the comfort and convenience of the public or to the upkeep and care of Montgomery Commission buildings, facilities, or grounds; and

(2) classification titles in which employees must have a special manual skill and thorough knowledge of processes that are acquired through on-the-job training, experience, apprenticeship, or formal training programs.

§16–303.

(a) (1) The Montgomery Commission shall recognize the right of an employee organization certified under this subtitle as the exclusive representative of a bargaining unit to represent the employees of the bargaining unit in collective bargaining and in the settlement of grievances.

(2) If a single employee organization is certified to represent more than one bargaining unit, the Montgomery Commission shall negotiate a single contract with that organization covering all employees the organization represents.

(b) (1) An employee organization certified as the exclusive representative of a bargaining unit shall:

(i) serve as the only bargaining agent for the unit in collective bargaining; and

(ii) except as provided in subsection (c) of this section, represent all employees in the unit fairly and without discrimination.

(2) An employee organization meets the requirements of paragraph (1)(ii) of this subsection as long as its actions are not arbitrary, discriminatory, or in bad faith toward an employee in the bargaining unit.

(c) (1) The exclusive representative may require an employee who does not pay membership dues or equivalent fees to pay:

(i) the reasonable costs and fees, including expenses for staff time and materials, arbitrator fees, and related attorney's fees, for filing a grievance or arbitrating a matter that arises under a collective bargaining agreement negotiated under this subtitle brought by the exclusive representative at the request of the employee; and

(ii) any anticipated proportional costs and fees before a grievance is filed or arbitration is pursued.

(2) Failure by the employee to pay the costs and fees required under paragraph (1) of this subsection shall relieve the exclusive representative of any further responsibility to the employee.

(3) A dispute concerning the reasonableness of the costs and fees imposed under paragraph (1) of this subsection shall be submitted to the labor relations administrator in accordance with the procedures established under § 16–318 of this subtitle for unfair labor practices.

(d) (1) An exclusive representative's duty of fair representation owed to a public employee who is in the bargaining unit shall be limited to the negotiation and enforcement of the terms of the collective bargaining agreement with the public employer.

(2) Nothing in this subsection may be construed to limit an employee organization from providing only to the organization's members legal, economic, or job–related services or benefits outside the collective bargaining agreement.

§16–304.

(a) The exclusive representative or representatives and the Montgomery Commission shall appoint a labor relations administrator from a list of five nominees on whom they have agreed.

(b) The term of the labor relations administrator is 5 years.

(c) A labor relations administrator is eligible for reappointment.

§16–305.

(a) An employee organization that is certified or that seeks certification as an exclusive representative shall submit to the labor relations administrator a copy of the employee organization's constitution and bylaws and any amendment to them.

(b) The constitution or bylaws shall include:

(1) a pledge that the employee organization accepts members without regard to age, marital status, national origin, race, religion, disabilities, sex, sexual orientation, or gender identity;

(2) the right of members to participate in the affairs of the employee organization;

(3) procedures for periodic elections of officers by secret ballot;

(4) fair procedures governing disciplinary actions;

(5) procedures for the accurate accounting of all income and expenditures;

(6) a requirement that a certified annual financial report be produced; and

(7) the right of members to inspect the employee organization's accounts.

§16–306.

(a) The labor relations administrator shall hold an election for an exclusive representative after:

(1) an employee organization shows by petition that at least 30% of the eligible employees in a bargaining unit support representation by an exclusive representative for collective bargaining; or

(2) an employee or an employee organization shows by petition that at least 30% of the eligible employees in a bargaining unit no longer support the current exclusive representative.

(b) (1) Elections may not be held:

(i) within 1 year after the date of an election under this subtitle; or

(ii) except as provided in paragraph (2) of this subsection, during the term of a collective bargaining agreement.

(2) During the term of a collective bargaining agreement, a petition for an election may be filed only in November of the fiscal year in which the agreement expires.

(c) (1) At least 30 days before an election under subsection (a) of this section, the labor relations administrator shall get from the Montgomery Commission and provide to the employee organization a list of the name, home address, and telephone number of each employee in the bargaining unit.

(2) Providing a list under this subsection by the Montgomery Commission, the labor relations administrator, or any Montgomery Commission officials, employees, or other agents does not violate § 4–331 of the General Provisions Article or any State or local law.

(d) An election shall be held by secret ballot.

(e) The ballot shall contain:

(1) the name of each employee organization that submits a valid petition for an election;

(2) the name of any other employee organization supported by a petition signed by at least 10% of the eligible employees in the bargaining unit; and

(3) an option for no representation.

(f) (1) If a petition described in subsection (a)(1) is submitted at the same time that a petition described in subsection (a)(2) is submitted, one election shall be held to determine which employee organization, if any, shall be the exclusive representative.

(2) The ballot shall contain:

(i) the name of the current certified employee organization;

(ii) the name of the petitioning employee organization; and

(iii) a provision for "No representation".

(g) If none of the choices on the ballot receives a majority of the votes, the labor relations administrator shall hold a runoff election between the two choices receiving the most votes.

(h) (1) After the election, the labor relations administrator shall certify the employee organization with the most votes as the exclusive representative.

(2) If the petitioning employee organization is certified as a result of an election carried out under subsection (f) of this section, that employee organization shall be treated as a successor in interest and party to any collective bargaining agreement to which the previous employee organization was a party.

(i) The Montgomery Commission and the employee organization shall share the costs of the election procedures equally.

§16–307.

(a) An individual is eligible to vote in an election under this subtitle only if the individual is a Montgomery Commission employee to whom this subtitle applies.

(b) If the Montgomery Commission and an employee organization dispute the eligibility of an employee in a bargaining unit, the dispute shall be submitted to the labor relations administrator.

(c) The labor relations administrator shall hold evidentiary hearings at which the Montgomery Commission and interested employee organizations shall have the opportunity to present:

(1) testimony;

(2) documentary and other evidence; and

(3) arguments.

(d) The decision of the labor relations administrator is final.

(e) The Montgomery Commission and the employee organization shall share the costs of the hearings equally.

§16–308.

(a) The Montgomery Commission and an employee organization certified as exclusive representative shall meet and engage in collective bargaining in good faith about:

(1) salary and wages, including the percentage of an increase in the salary and wages budget that will be devoted to merit increments and cash awards, but salaries and wages shall be the same for all employees in the same classification;

(2) pension and other retirement benefits for active employees;

(3) employee benefits such as insurance, leave, holidays, and vacations;

(4) hours and working conditions;

(5) matters affecting the health and safety of employees;

(6) the effect of the exercise of the Montgomery Commission's rights and responsibilities under § 16-314 of this subtitle on employees; and

(7) provisions for orderly processing and settling grievances about the interpretation and implementation of a collective bargaining agreement that may include:

(i) provisions for the exclusivity of forum;

(ii) binding third party arbitration, if:

1. the Montgomery Commission and the employee organization share the costs of binding arbitration equally; and

2. the arbitrator does not have authority to amend, add to, or subtract from the collective bargaining agreement.

(b) This section does not require the Montgomery Commission or the employee organization to agree to any proposal or to make any concession.

(c) (1) The Montgomery Commission and an employee organization certified as exclusive representative:

(i) shall begin collective bargaining on or before September 1 in the fiscal year before the beginning of a fiscal year for which an agreement has not been reached; and

(ii) shall complete collective bargaining on or before the following February 1.

(2) During the period set forth in paragraph (1) of this subsection, the parties shall negotiate in good faith.

§16–308.1.

An employee organization certified as exclusive representative shall disclose to the employees represented by the employee organization all offers regarding wages made by the Montgomery Commission during collective bargaining negotiations conducted under this subtitle.

§16–309.

(a) If a party considers that a bargaining proposal contravenes the rights and duties of the Montgomery Commission under § 16–314 of this subtitle or otherwise violates this subtitle, the party shall petition the labor relations administrator for a determination of whether the bargaining proposal is a negotiability dispute that contravenes this subtitle.

(b) (1) Except as provided in paragraph (2) of this subsection, the procedure for resolving a negotiability dispute shall follow the procedure for reviewing unfair labor practice charges.

(2) The labor relations administrator may shorten the time periods or order any expedited procedure appropriate under the circumstances.

(c) The labor relations administrator may order a party to withdraw all or part of a bargaining proposal that contravenes this subtitle.

(d) A decision and order under this section is final unless it is appealed for being arbitrary, capricious, or exceeding the authority of a party.

§16–310.

(a) (1) If the parties have not reached an agreement on or before December 1 on a collective bargaining agreement that would become effective the following July 1, the parties shall jointly appoint a mediator–arbitrator panel.

(2) If the parties are unable to agree on a jointly appointed mediator–arbitrator as required under § 16–311 of this subtitle, the labor relations administrator shall name the jointly appointed mediator–arbitrator on or before December 7.

(3) Notwithstanding appointment of the mediator–arbitrator panel, this subsection does not require beginning mediation–arbitration before the date set forth in subsection (b)(2) of this section.

(b) (1) During the collective bargaining:

(i) either party may declare an impasse and request the services of the mediator–arbitrator panel; or

(ii) the parties may jointly request the services of a mediator–arbitrator panel before an impasse is declared.

(2) If the mediator–arbitrator panel finds in the discretion of the panel that the parties are at a bona fide impasse, or on February 1, if they still have not agreed on a contract, whichever happens first, the mediator–arbitrator panel shall require the parties to submit:

(i) a joint memorandum listing all items to which the parties have previously agreed; and

(ii) a separate memorandum of the party's last final offer presented in negotiations on all items to which the parties have not previously agreed.

(c) (1) On or before February 10, if the parties have not agreed on a contract, the mediator–arbitrator panel shall hold a nonpublic hearing on the parties' proposals at a time, date, and place chosen by the mediator–arbitrator panel.

(2) Each party shall submit evidence or make oral and written argument in support of the party's last final offer.

(3) The mediator–arbitrator panel may not open the hearing to a person who is not a party to the mediation–arbitration.

(d) (1) On or before February 15, the mediator–arbitrator panel shall issue a report choosing the final offer that the mediator–arbitrator panel determines to be more reasonable when viewed as a whole.

(2) Subject to paragraph (3) of this subsection, in determining the more reasonable offer, the mediator–arbitrator panel may consider only:

(i) past collective bargaining contracts between the parties, including the bargaining history that led to the agreement or the precollective bargaining history of employee wages, hours, benefits, and other working conditions;

(ii) a comparison of wages, hours, benefits, and conditions of employment of similar employees of other public employers in the Washington Metropolitan Area and in the State;

(iii) a comparison of wages, hours, benefits, and conditions of employment of similar employees of private employers in Montgomery County;

(iv) the public interest and welfare;

(v) the ability of the employer to finance any economic adjustments required under the proposed agreement;

(vi) the effects of any economic adjustments on the standard of public services normally provided by the employer; and

(vii) the annual increase or decrease in consumer prices for all items as shown in the most recent Consumer Price Index – Wage Earners and Clerical Workers ("CPI–W") for the Washington Metropolitan Area.

(3) In considering the terms and conditions of the final offer regarding wages, the mediator–arbitrator panel shall first consider and give the highest priority to the ability of the Montgomery Commission to pay for additional short–term and long–term expenses by considering:

(i) the limits on the ability of the Montgomery Commission to raise revenue;

(ii) the added burden raising revenue would have on customers of the Montgomery Commission; and

(iii) the ability of the Montgomery Commission to continue providing the current level of service to its customers.

(4) In determining the more reasonable offer, the mediator–arbitrator panel shall consider that all items on which the parties agreed before the mediation–arbitration are integrated with each offer.

(5) The mediator–arbitrator panel may not receive or consider the history of collective bargaining relating to the immediate dispute, including any offers of settlement not contained in the offer submitted to the mediator–arbitrator panel.

(e) The mediator–arbitrator panel may not compromise or alter the final offer that the mediator–arbitrator panel chooses.

(f) (1) Subject to paragraphs (2) and (5) of this subsection and without ratification by the parties, the offer that the mediator–arbitrator panel chooses as integrated with the items on which the parties previously agreed is the final agreement between the Montgomery Commission and the exclusive representative.

(2) The economic provisions of the final agreement are subject to funding by the Montgomery Commission.

(3) Except as provided in paragraph (5) of this subsection, the Montgomery Commission shall appropriate money in the Montgomery Commission's final budget for all economic provisions of the final agreement.

(4) The parties shall execute an agreement that incorporates the final agreement, including arbitration awards and all issues agreed to under this section.

(5) (i) On or before April 1 or a later date determined by mutual agreement of the parties due to extenuating circumstances, the Executive Director of

the Montgomery Commission shall submit to the Montgomery Commission any term or condition of the final offer that requires:

1. an appropriation of funds or that may result in a present or future fiscal impact on the Montgomery Commission or its customers; or

2. action by the Montgomery Commission to implement the collective bargaining agreement.

(ii) The Montgomery Commission may accept or reject all or part of any term or condition that the Executive Director is required to submit under subparagraph (i) of this paragraph.

(g) The Montgomery Commission and the employee organization shall share the costs of the mediator–arbitrator panel's services equally.

§16–310.1.

(a) During the term of a collective bargaining agreement:

(1) either party may declare an impasse and request the services of a mediator–arbitrator; and

(2) the parties jointly may request the services of a mediator–arbitrator at any time without declaring an impasse.

(b) (1) If the services of a mediator–arbitrator are requested, the parties jointly shall appoint a mediator–arbitrator.

(2) If the parties are unable to agree on a jointly appointed mediator–arbitrator as required under § 16–311 of this subtitle, the labor relations administrator shall name the jointly appointed mediator–arbitrator within 7 days after the services of a mediator–arbitrator were requested.

(c) If the mediator–arbitrator finds in the discretion of the mediator–arbitrator that the parties are in a bona fide impasse, the mediator–arbitrator shall require each party to submit a separate memorandum of the party's last final offer presented in negotiations on items with regard to which the parties are in dispute.

(d) (1) Within 10 days after the submission of the memorandum required under subsection (c) of this section, the mediator–arbitrator shall hold a nonpublic hearing on the parties' offers at a time, date, and place chosen by the mediator–arbitrator.

(2) Each party shall submit evidence or make oral and written argument in support of the party's last final offer.

(3) The mediator–arbitrator may not open the hearing to a person who is not a party to the mediation–arbitration.

(e) (1) Within 5 days after the hearing required under subsection (d)(1) of this section, the mediator–arbitrator shall issue a report choosing the final offer that the mediator–arbitrator determines to be more reasonable when viewed as a whole.

(2) Subject to paragraph (3) of this subsection, in determining the more reasonable offer, the mediator–arbitrator may consider only:

(i) past collective bargaining contracts between the parties, including the bargaining history that led to the agreement or the precollective bargaining history of employee wages, hours, benefits, and other working conditions;

(ii) a comparison of wages, hours, benefits, and conditions of employment of similar employees of other public employers in the Washington Metropolitan Area and in the State;

(iii) a comparison of wages, hours, benefits, and conditions of employment of similar employees of private employers in Montgomery County;

(iv) the public interest and welfare;

(v) the ability of the employer to finance any economic adjustments required under the proposed agreement;

(vi) the effects of any economic adjustments on the standard of public services normally provided by the employer; and

(vii) the annual increase or decrease in consumer prices for all items as shown in the most recent Consumer Price Index – Wage Earners and Clerical Workers ("CPI–W") for the Washington Metropolitan Area.

(3) In considering the terms and conditions of the final offer, the mediator–arbitrator shall first consider and give the highest priority to the ability of the Montgomery Commission to pay for additional short–term and long–term expenses by considering:

(i) the limits on the ability of the Montgomery Commission to raise revenue;

(ii) the added burden raising revenue would have on customers of the Montgomery Commission; and

(iii) the ability of the Montgomery Commission to continue providing the current level of service to its customers.

(4) In determining the more reasonable offer, the mediator–arbitrator shall consider that all items on which the parties agreed before the mediation–arbitration are integrated with each offer.

(5) The mediator–arbitrator may not receive or consider the history of collective bargaining relating to the immediate dispute, including any offers of settlement not contained in the offer submitted to the mediator–arbitrator.

(f) The mediator–arbitrator may not compromise or alter the final offer that the mediator–arbitrator chooses.

(g) (1) Subject to paragraphs (2) and (5) of this subsection and without ratification by the parties, the offer that the mediator–arbitrator chooses as integrated with the items on which the parties previously agreed is the final agreement between the Montgomery Commission and the exclusive representative.

(2) The economic provisions of the final agreement are subject to funding by the Montgomery Commission.

(3) Except as provided in paragraph (5) of this subsection, the Montgomery Commission shall appropriate money in the Montgomery Commission's final budget for all economic provisions of the final agreement.

(4) The parties shall execute an agreement that incorporates the final agreement, including arbitration awards and all issues agreed to under this section.

(5) (i) Within 45 days after the execution of an agreement under paragraph (4) of this subsection or on a later date determined by mutual agreement of the parties due to extenuating circumstances, the Executive Director of the Montgomery Commission shall submit to the Montgomery Commission any term or condition of the final offer that requires:

1. an appropriation of funds or that may result in a present or future fiscal impact on the Montgomery Commission or its customers; or

2. action by the Montgomery Commission to implement the collective bargaining agreement.

(ii) The Montgomery Commission may accept or reject all or part of any term or condition that the Executive Director is required to submit under subparagraph (i) of this paragraph.

(h) The Montgomery Commission and the employee organization shall share equally the costs of the mediator–arbitrator's services.

§16–311.

(a) A mediator panel may be used in collective bargaining when:

(1) the Montgomery Commission and the employee organization agree to mediation; or

(2) an impasse results, and the Montgomery Commission or the employee organization requests mediation.

(b) (1) The Montgomery Commission and the employee organization shall:

(i) each choose one mediator from a list supplied by the American Arbitration Association or the Federal Mediation and Conciliation Service; and

(ii) together choose a third mediator from a list supplied by the American Arbitration Association or the Federal Mediation and Conciliation Service.

(2) If the Montgomery Commission and the employee organization cannot agree on a jointly appointed mediator, the labor relations administrator shall choose the third mediator.

(c) The Montgomery Commission and the employee organization shall share the costs of mediation equally.

§16–312.

(a) (1) The Montgomery Commission and an employee organization certified as the exclusive representative of a bargaining unit shall execute a collective bargaining agreement incorporating all matters of agreement on wages, hours, and other terms and conditions of employment.

(2) If a collective bargaining agreement provides for a grievance procedure, that grievance procedure shall be the only procedure for employees in the bargaining unit.

(3) The collective bargaining agreement may include an agency shop or other union security provision.

(b) The collective bargaining agreement supersedes any conflicting regulation or administrative policy of the Montgomery Commission.

(c) A collective bargaining agreement takes effect on the approval of the Montgomery Commission and the membership of the employee organization representing the bargaining unit.

(d) A single year or multiple–year collective bargaining agreement shall expire at the close of the appropriate fiscal year.

(e) If a provision in a collective bargaining agreement is ruled invalid or is not funded adequately, the rest of the agreement remains in effect unless reopened under § 16–313(b) of this subtitle.

§16–313.

(a) The Montgomery Commission shall include in its annual proposed operating budget adequate funding to carry out a collective bargaining agreement.

(b) (1) Unless the Montgomery Commission's budget is funded adequately to carry out the terms of the collective bargaining agreement, the Montgomery Commission and the employee organization shall reopen the negotiated agreement and bargain about the provisions of the agreement not approved by the Montgomery Commission.

(2) The bargaining shall begin within 5 days after the final budget of the Montgomery Commission has been adopted.

§16–314.

(a) (1) This subtitle and any agreement made under it do not impair the right and duty of the Montgomery Commission to:

(i) determine the budget and mission of the Montgomery Commission;

(ii) maintain and improve the efficiency and effectiveness of operations;

(iii) determine the services to be rendered and the operations to be performed;

(iv) determine the location of facilities and the organizational structure, methods, processes, means, job classifications, and personnel by which operations are to be conducted;

(v) direct and supervise employees;

(vi) hire, choose, and establish the standards governing promotion of employees, and classify positions;

(vii) relieve employees from duties because of lack of work or money or when the Montgomery Commission determines that continued work would be inefficient or nonproductive;

(viii) take action to carry out the missions of government in emergencies;

(ix) transfer and schedule employees;

(x) determine the size, grades, and composition of the workforce;

(xi) set the standards of productivity and technology;

(xii) establish employee performance standards and evaluate and assign employees, except that evaluation and assignment procedures shall be a subject for bargaining;

(xiii) make and carry out systems for awarding outstanding service increments, extraordinary performance awards, and other merit awards;

(xiv) introduce new or improved technology, research, development, and services;

(xv) control and regulate the use of machinery, equipment, and other property and facilities of the Montgomery Commission, subject to § 16–308(a)(5) of this subtitle;

(xvi) maintain internal security standards;

(xvii) suspend, discharge, or otherwise discipline employees for cause, subject to the grievance procedure set forth in the collective bargaining agreement; and

(xviii) issue and enforce rules, policies, and regulations necessary to carry out this subsection and all other managerial functions that are not inconsistent with this Division II, federal or State law, or the terms of a collective bargaining agreement.

(2) (i) Subject to subparagraph (ii) of this paragraph, this subtitle and any agreement made under it do not impair the right and responsibility of the Montgomery Commission to create, alter, combine, contract out, or abolish a job classification, department, operation, unit, or other division or service.

(ii) The Montgomery Commission may undertake the contracting of work that will displace employees only if the Montgomery Commission gives written notice to the certified representative at least 90 days before signing the contract or within a different period that is agreed to by the parties.

(b) (1) The Montgomery Commission may not:

(i) interfere with, coerce, or restrain an employee in the exercise of rights under this subtitle;

(ii) dominate, interfere with, or assist in the formation, administration, or existence of any employee organization or contribute financial assistance or other support to an employee organization;

(iii) encourage or discourage membership in an employee organization by discriminating against an employee through hiring, tenure, promotion, or other conditions of employment;

(iv) discharge or discriminate against an employee because the employee has signed or filed an affidavit, petition, or complaint or given any information or testimony under this subtitle; or

(v) refuse to bargain in good faith with an employee organization that is certified as the exclusive representative of a bargaining unit over any subject of bargaining or refuse to participate in good faith in the mediation, fact–finding, or grievance procedure under this subtitle.

(2) Paragraph (1)(ii) of this subsection does not prohibit the Montgomery Commission from allowing employees to negotiate or to confer with the

Montgomery Commission over labor matters during work hours without the loss of pay or time.

§16–315.

(a) An employee organization may not:

(1) interfere with, restrain, or coerce any employee in the employee's exercise of a right under this subtitle;

(2) cause or attempt to cause the Montgomery Commission to discriminate against an employee in the employee's exercise of a right under this subtitle;

(3) coerce, discipline, fine, or attempt to coerce a member of an employee organization as punishment or reprisal;

(4) coerce, discipline, fine, or attempt to coerce a member of an employee organization to impede the member's work performance;

(5) refuse to negotiate in good faith with the Montgomery Commission as required by this subtitle; or

(6) fail or refuse to cooperate in impasse procedures and impasse decisions as required by this subtitle.

(b) An individual may file an unfair labor charge against an employee organization for a violation of subsection (a)(3) or (4) of this section only if the individual is a Montgomery Commission employee to whom this subtitle applies.

§16–316.

(a) Employees of the Montgomery Commission retain the right to:

(1) form, join, or assist an employee organization;

(2) bargain collectively through a representative that the employees have chosen;

(3) engage in other lawful concerted activities for the purpose of collective bargaining; or

(4) refrain from an activity covered under this subsection.

(b) When an employee has a grievance under a collective bargaining agreement, the employee may present the grievance to the Montgomery Commission but may do so only through the employee organization certified as the exclusive representative for the bargaining unit.

§16–317.

(a) In this section, “strike” means the action of an employee, in concert with others, to:

(1) refuse to report to work;

(2) stop or slow down work; or

(3) abstain wholly or partly from the full, faithful, and proper performance of duties when the object is to induce, influence, or coerce a change in the terms, conditions, rights, or privileges of employment.

(b) A Montgomery Commission employee, a group of Montgomery Commission employees, or an employee organization may not engage in, induce, initiate, or ratify a strike by Montgomery Commission employees.

(c) If a strike occurs, on request of the Montgomery Commission, a court of competent jurisdiction may enjoin the strike.

(d) An employee may not receive compensation from the Montgomery Commission while the employee is engaged in a strike.

(e) (1) If an employee engages in, induces, initiates, or ratifies a strike, the Montgomery Commission may take appropriate disciplinary action against the employee, including suspension or discharge.

(2) The labor relations administrator shall hold a hearing on the disciplinary action at which the Montgomery Commission, the employee, and any interested employee organization may present evidence and argument.

(f) (1) If the labor relations administrator finds after a hearing that an employee organization certified as an exclusive representative assisted, authorized, or initiated a strike involving the refusal of Montgomery Commission employees to report for work, the labor relations administrator shall revoke the certification of the employee organization.

(2) An employee organization decertified under paragraph (1) of this paragraph may not be recertified for 2 years after the end of the strike.

(3) If the labor relations administrator finds after a hearing that an employee organization certified as an exclusive representative assisted, authorized, or initiated any other kind of strike, the labor relations administrator may revoke the certification of the employee organization for up to 1 year from the end of the strike.

§16–318.

(a) It is an unfair labor practice for the Montgomery Commission or an employee organization certified as an exclusive representative of a bargaining unit to violate the rights of a Montgomery Commission employee under this subtitle.

(b) Within 30 business days after an alleged unfair labor practice occurs, the party charging the unfair labor practice shall submit the charge in writing to the labor relations administrator and the party alleged to have committed the unfair labor practice.

(c) (1) Within 15 business days after a party submits an unfair labor practice charge, the party shall ask the labor relations administrator to hold a hearing and decide whether an unfair labor practice has occurred.

(2) The labor relations administrator shall hold a hearing and make findings of fact and conclusions of law.

(d) (1) If the labor relations administrator finds that a party has committed an unfair labor practice, the labor relations administrator shall:

(i) order that party to cease and desist from the unfair labor practice; and

(ii) order all relief necessary to:

1. remedy the violation of this subtitle; and

2. make whole any injured employee or party and restore the employee or party to the position or condition in which the employee or party would have been but for the violation.

(2) Relief may include reinstatement, restitution, back pay, and injunctions.

(3) Relief may not include attorney fees, punitive damages, consequential damages, or damages for pain, suffering, or emotional distress.

(e) The decision of the labor relations administrator is final unless appealed on the basis of being arbitrary, capricious, or exceeding authority.

(f) If the labor relations administrator finds that the party charged with the unfair labor practice has not committed any prohibited practice, the labor relations administrator shall issue an order dismissing the charges.

(g) The Montgomery Commission and the employee organization shall share the cost of any unfair labor practice proceeding equally.

(h) If the party found to have committed the unfair labor practice fails or refuses to comply with the labor relations administrator's decision, the charging party may file an action to enforce the order with the circuit court for a county in which any of the involved employees work.

§16–319.

(a) This section applies to the expression of any personal view, argument, or opinion or the making of any personal statement that:

(1) does not contain a threat of reprisal, force, or promise of benefit;

(2) was not made under coercive conditions; and

(3) (i) publicizes a representational election or encourages employees to exercise their right to vote in the election;

(ii) corrects the record with respect to a false or misleading statement made by any person; or

(iii) informs employees of the Montgomery Commission's policy about labor–management relations and representation.

(b) The expression of any personal view, argument, opinion, or statement described in subsection (a) of this section is not:

(1) an unfair labor practice under this subtitle; or

(2) grounds for setting aside an election held under this subtitle.

§16–401.

(a) In this subtitle the following words have the meanings indicated.

(b) (1) "Adversely affect" means:

(i) the elimination of more than two employee positions assigned to perform bargaining unit work if the positions are authorized, fully funded, and either vacant for less than 90 calendar days or occupied at the time the Montgomery Commission solicits a service contract;

(ii) a permanent and involuntary reduction below the number of hours for regular full–time employment for more than five employees currently assigned to a regular full–time work schedule to perform bargaining unit work when the Montgomery Commission solicits a service contract;

(iii) a permanent and involuntary reduction in the pay grade for more than five employees currently assigned to a regular full–time work schedule to perform bargaining unit work when the Montgomery Commission solicits a service contract; or

(iv) a permanent and involuntary reduction in the base pay or fringe benefits otherwise applicable to a job classification covering more than five employees currently assigned on a full–time basis to perform bargaining unit work when the Montgomery Commission solicits a service contract.

(2) "Adversely affect" does not include any action by the Montgomery Commission taken in accordance with:

(i) a bona fide disciplinary proceeding;

(ii) a collective bargaining agreement then applicable in accordance with § 16–312 of this title; or

(iii) a reallocation or reassignment to other bargaining unit work or other duties that does not result in a change in job classification or grade.

(c) "Bargaining unit work" means work duties assigned or allocated to any position occupied within the preceding 90 calendar days by an employee who is represented by a certified representative.

(d) "Certified representative" means an employee organization certified as the collective bargaining representative of Montgomery Commission employees in accordance with § 16–306 of this title.

(e) "Executive Director" means the Executive Director of the Montgomery Commission.

(f) "Service contract" means a procurement contract for services that will be provided to the Montgomery Commission.

§16–402.

(a) (1) This subtitle applies to a service contract that:

(i) is solicited by the Montgomery Commission as a management plan intended to adversely affect Montgomery Commission employees represented by a certified representative; and

(ii) in the estimation of the Montgomery Commission procurement officer, will exceed an annual cost of $75,000 as calculated under paragraph (2) of this subsection.

(2) The Montgomery Commission shall adjust the annual cost estimation described in paragraph (1)(ii) of this subsection to the nearest $100 every 2 years, beginning on October 1, 2008, to reflect any aggregate increase in the Consumer Price Index for All Urban Consumers, for the Washington Metropolitan Area, or any successor index, for the previous 2 years.

(b) This subtitle does not apply to:

(1) solicitation of a service contract as part of a management plan and not for a present or eventual purpose of adversely affecting Montgomery Commission employees represented by the certified representative;

(2) solicitation of a service contract for which the primary purpose is to obtain goods or construction services;

(3) solicitation of a service contract that the Montgomery Commission's purchasing officials reasonably believe and express in writing may negatively affect the potential for participation by a minority, female, or disabled owned business in the Montgomery Commission's minority, female, and disabled persons program under procurement policies, as amended;

(4) solicitation of a service contract for a service provided by a consultant;

(5) solicitation of a service contract for a professional service, unless the scope of service is provided by bargaining unit employees when the contract is solicited;

(6) solicitation of a service contract that the Montgomery Commission reasonably believes is:

(i) necessary to meet an emergent or imminent threat to public health, welfare, or safety;

(ii) required to comply with the requirements of any grant related to the funding of that contract; or

(iii) related to the settlement of an insurance claim;

(7) solicitation of a service contract that is in the best interest of an employee based on a need for specialized safety experience or expertise;

(8) solicitation of a service contract for any service provided by a public entity or provided to the Montgomery Commission in accordance with a public–private partnership with a private entity;

(9) solicitation of a service contract to be awarded on a noncompetitive basis in accordance with all applicable laws, rules, and regulations regarding those contracts;

(10) a service contract entered into prior to October 31, 2008;

(11) the renewal or rebidding of a service contract entered into prior to October 31, 2008, if the renewal or rebidding of the service contract does not result in a greater adverse effect on bargaining unit employees than existed prior to its renewal or rebidding;

(12) solicitation of a service contract for a capital improvement project, a U.S. Department of Housing and Urban Development 236 property, a newly–acquired or developed property, unless that property is both owned and managed by the Montgomery Commission, or an asset management project;

(13) solicitation of any class, type, category, or particular service contract that the Montgomery Commission reasonably believes should be performed by an independent contractor to eliminate a conflict of interest otherwise apparent if the services are performed by a bargaining unit employee;

(14) solicitation of any class, type, category, or particular service contract when the need for the service or activity is such that the time necessary for the analysis required under § 16–403 of this subtitle would:

(i) result in damage to Montgomery Commission property;

(ii) result in injury to individuals; or

(iii) substantially hinder the objective of constructing or maintaining safe, sanitary, and decent properties and facilities; or

(15) a service contract required to comply with an applicable rule, regulation, or guideline established by the U.S. Department of Housing and Urban Development.

(c) This subtitle does not apply to or limit the authority of the Montgomery Commission to abolish a bargaining unit position or conduct a reduction in force.

§16–403.

Before the Montgomery Commission solicits any service contract under this subtitle, the Executive Director shall certify that the Montgomery Commission has complied with §§ 16–404 and 16–405 of this subtitle.

§16–404.

(a) The Executive Director may not certify that the Montgomery Commission has complied with the requirements of this subtitle unless the Montgomery Commission:

(1) has taken steps to consider alternatives to the service contract, including reorganization, reevaluation of service, and reevaluation of performance;

(2) has consulted with the certified representative of any Montgomery Commission employees who will be adversely affected if the Montgomery Commission enters into the service contract; and

(3) has demonstrated, based on a cost comparison analysis utilizing good faith estimates, that the Montgomery Commission will save, by entering into a service contract, at least an amount equal to the lesser of $200,000 or 20% of the estimated net present value of the cost of the service contract.

(b) The Montgomery Commission shall estimate and compare at least the following in the cost comparison analysis:

(1) direct costs, including fringe benefits and the assumption that the contractor will pay employees who perform work under the service contract, at a minimum, the county living wage rate for Montgomery County;

(2) indirect overhead costs properly allocable to the bargaining unit work or service contract according to generally accepted accounting principles; and

(3) any costs associated with unemployment compensation or outplacement assistance for displaced employees.

§16–405.

(a) The Montgomery Commission shall provide not less than 60 days' advance notice and maintain at all times a formal plan of outplacement assistance for each Montgomery Commission employee who is represented by a certified representative and will be adversely affected by a service contract that is subject to this subtitle.

(b) The plan described in subsection (a) of this section shall include:

(1) efforts to transfer or place each adversely affected Montgomery Commission employee in a vacant Montgomery Commission position that the employee is qualified to perform;

(2) a requirement in the service contract that the contractor shall:

(i) notify the Montgomery Commission of any vacant position for which displaced Montgomery Commission employees may apply; and

(ii) consider and give preference to hiring displaced Montgomery Commission employees; and

(3) written notification of the anticipated adverse effect on one or more job classifications to the certified representative at least 90 calendar days before the anticipated adverse effect will occur.

§16–406.

The certified representative of an adversely affected Montgomery Commission employee may submit a proposal for existing bargaining unit employees to continue performing the services described in the solicitation while achieving the targeted savings.

§16–407.

(a) (1) If the Montgomery Commission fails to comply with any provision of this subtitle and a Montgomery Commission employee is adversely affected, the certified representative of the employee may file an appeal on the record on behalf of the employee before the State Office of Administrative Hearings in accordance with the contested case provisions of the Administrative Procedure Act, Title 10, Subtitle 2 of the State Government Article.

(2) (i) If the hearing officer finds that the Montgomery Commission was arbitrary and capricious in soliciting or entering into a service contract that is subject to the requirements of this section, and the Montgomery Commission employee has been adversely affected, the hearing officer may award the employee actual damages for back pay and front pay for a combined period of up to 2 years beginning on the date the employee was first adversely affected, provided that the employee is obligated to mitigate the actual damages.

(ii) The award of actual damages authorized under this paragraph shall be the sole and exclusive remedy for a violation of this subtitle that is available to the employee, and no liability shall accrue for punitive damages, consequential damages, or damages for emotional distress or pain and suffering.

(b) Noncompliance with this section may not invalidate a contract award or proposed contract award that the Montgomery Commission has otherwise validly awarded or issued.

§17–101.

(a) In this title the following words have the meanings indicated.

(b) "Continuing care facility" means a facility in which shelter and medical and nursing services or other health related services are made available:

(1) to an individual who is 60 years old or older and not related by blood or marriage to the provider;

(2) for the life of the individual or for a period exceeding 1 year; and

(3) under a written agreement that requires a transfer of assets or an entrance fee, notwithstanding periodic charges.

(c) (1) "Housing project" means a work or undertaking to provide decent, safe, and sanitary urban or rural apartments, or other housing for the persons of eligible income who live in the area of the housing.

(2) "Housing project" includes buildings, land, equipment, facilities, and other real or personal property that is planned, acquired, owned, used, developed, reconstructed, rehabilitated, or improved to provide:

(i) the housing; or

(ii) the necessary, convenient, or desirable:

1. appurtenances, streets, roads, sewers, water service, parks, site preparation, or gardening; or

2. supporting public or private administrative, commercial, educational, cultural, recreational, welfare, community, or civic facilities that are needed for sound community development.

(d) "Person of eligible income" means an individual or a family that:

(1) lives in the area of operation of the Prince George's Authority that undertakes a housing project; and

(2) as determined by the Prince George's Authority, lacks sufficient income without financial assistance to live in decent, safe, and sanitary housing without overcrowding.

(e) "Prince George's Authority" means the Housing Authority of Prince George's County.

§17–102.

Title 12 of this article applies to the Prince George's Authority and other housing authorities in Prince George's County except where it is inconsistent with this title.

§17–103.

(a) The General Assembly finds that:

(1) there are in Prince George's County:

(i) a shortage of decent, safe, and adequate housing and continuing care facilities for the elderly;

(ii) economically depressed areas; and

(iii) housing in need of rehabilitation;

(2) as a result of these conditions:

(i) county residents are forced to occupy overcrowded, congested, and deteriorated housing and live in depressed neighborhoods; and

(ii) many of the elderly must remain in housing that is ill-suited to their current needs and abilities;

(3) these conditions require too much public money to be spent for protection of the public health, safety, and welfare, and for other public services and facilities;

(4) the operation of continuing care facilities absorbs costs of health, safety, and social services of the residents of those facilities while adding to the available housing stock of the county;

(5) private enterprise alone cannot wholly meet the need to:

(i) relieve the shortage of decent, safe, and adequate housing and continuing care facilities;

(ii) revitalize depressed neighborhoods; and

(iii) rehabilitate housing;

(6) the construction and rehabilitation of housing, including continuing care facilities for county residents, and the acquisition and expenditure of public money to produce that housing therefore do not compete with private enterprise;

(7) a need exists for mortgage credit to be made available for constructing new housing and rehabilitating existing housing for many buyers and owners of housing who cannot afford mortgage credit at the market interest rate or get mortgage credit because the mortgage credit market is severely restricted;

(8) (i) there is a need to:

1. acquire, construct, and rehabilitate continuing care facilities at the least cost to those who use them;

2. construct housing that is decent, safe, and adequate; and

3. rehabilitate housing to make it decent, safe, and adequate; and

(ii) it is in the public interest to expend public resources and give assistance to meet this need;

(9) many families live in housing that is decent and safe, but is inadequate for the size of the family;

(10) some of those families could afford to buy new housing if their existing homes could be sold to smaller families for whom the homes would be more adequate;

(11) many potential buyers of these existing homes are first-time buyers, who find it difficult or impossible to afford newly constructed housing because they do not have an equity interest in their present housing to help finance a home purchase; and

(12) therefore, it is in the public interest to help first-time homebuyers acquire existing housing as well as newly constructed or rehabilitated housing, as the assistance will:

(i) help nonhomeowners acquire housing;

(ii) help homeowners to acquire more adequate housing; and

(iii) stimulate the private sector production of new housing.

(b) The General Assembly finds that this title:

(1) creates a sound housing stock;

(2) contributes towards a balanced economy;

(3) promotes the health, welfare, and safety of the residents; and

(4) serves valid public purposes.

§17–104.

The Housing Authority of Prince George's County is a public body corporate and politic that:

(1) exercises public and essential governmental functions; and

(2) has all the powers necessary or convenient to carry out the purposes of this Division II.

§17–105.

(a) (1) The Prince George's Authority consists of seven Commissioners nominated by the County Executive and confirmed by the County Council.

(2) The County Council shall hold a public hearing before voting whether to confirm each nominee.

(b) (1) The term of a Prince George's Authority Commissioner is 5 years.

(2) The terms of Commissioners are staggered as required by the terms of the members serving on October 1, 2006.

(3) At the end of a term, a Commissioner continues to serve until a successor is appointed and qualifies.

(4) A Commissioner who is appointed after a term has begun serves only for the rest of that term and until a successor is appointed and qualifies.

(c) The County Executive may remove a Commissioner with the approval of the County Council of Prince George's County.

§17–106.

The County Executive shall choose the chair of the Prince George's Authority from among its Commissioners.

§17–107.

(a) In addition to the powers listed elsewhere in this Division II, the Prince George's Authority may:

(1) exercise all or any part of those powers to provide housing, housing rehabilitation, housing projects, integrally related commercial structures, and their financing for county residents;

(2) exercise other functions and responsibilities required by the county, including community development; and

(3) acquire and spend public money for any purpose authorized under this Division II, if the exercise of all powers of the Prince George's Authority is in accordance with Prince George's County law or a contract or contracts with Prince George's County.

(b) As required by Prince George's County, the Prince George's Authority annually shall issue a financial report for the previous fiscal year based on a certified audit.

(c) Prince George's County by local law may require the Prince George's Authority to comply with budgetary, financial, personnel, and ethics procedures of the county.

(d) With the approval of the Prince George's County governing body, the Prince George's Authority within its area of operation also may:

(1) make construction loans and long-term mortgage loans to any person to produce housing under this title;

(2) buy and insure mortgages secured by such housing; and

(3) make or buy mortgage loans to help first-time homebuyers to buy existing homes, if:

(i) the first-time homebuyers:

1. are residents of the county;

2. qualify based on income limits established by the Prince George's Authority with the approval of the county governing body; and

3. are buying housing determined to be decent, safe, and adequate according to standards adopted by the Prince George's Authority; and

(ii) the Prince George's Authority determines that income from the assistance program will cover the costs of the program.

(e) (1) With the approval of the Prince George's County governing body, the Prince George's Authority within its area of operation may finance housing, housing rehabilitation, a housing project, or a continuing care facility authorized by this title by issuing and selling the bonds of any type.

(2) Bonds that may be issued under this subsection include those on which the principal and interest are payable:

(i) only from the income and revenues of the housing project or continuing care facility that is financed with the proceeds of the bonds or with both those proceeds and a federal grant;

(ii) only from the income and revenues of designated housing projects whether or not they were financed wholly or partly with the proceeds of the bonds; or

(iii) from its revenues generally.

(3) A bond under this subsection may be secured by pledge of any revenue or a mortgage of a housing project, projects, or other property of the Prince George's Authority.

(4) Bonds of the Prince George's Authority may be sold at public or private sale in the manner and on the terms that are authorized by resolution of the Prince George's Authority.

(f) This section does not preempt or supersede the regulatory authority of a State governmental unit under State law.

§18–101.

(a) In this title the following words have the meanings indicated.

(b) "Board of County Commissioners" means the Board of County Commissioners of Queen Anne's County.

(c) (1) "Housing project" means a work or undertaking to provide housing for persons of eligible income.

(2) "Housing project" includes:

(i) buildings, land, improvements, and other real or personal property that is planned, acquired, owned, used, developed, reconstructed, rehabilitated, or improved; and

(ii) streets, roads, sewers, water service, and supporting public or private commercial, educational, cultural, recreational, community, and civic facilities that are needed for sound community development.

(d) "Person of eligible income" means an individual or a family that lacks sufficient income or assets without financial assistance to live in decent, safe, and sanitary housing without overcrowding.

(e) "Queen Anne's Authority" means the Housing Authority of Queen Anne's County.

§18–102.

Title 12 of this article applies to the Queen Anne's Authority except where it is inconsistent with this title.

§18–103.

The Housing Authority of Queen Anne's County is a public body corporate and politic that:

(1) exercises public and essential governmental functions; and

(2) has all the powers necessary or convenient to carry out the purposes of this Division II.

§18–104.

(a) This section does not apply if its application would disqualify the State or a county from receiving federal money.

(b) (1) The Board of County Commissioners shall:

(i) adopt policies, regulations, or amendments that are necessary to implement:

1. federally or State assisted housing programs; and

2. locally funded housing programs undertaken in accordance with this Division II;

(ii) review and approve each housing project that the Queen Anne's Authority proposes before the housing project is started; and

(iii) establish maximum income limits for persons of eligible income.

(2) For special housing projects, the Board of County Commissioners may establish exceptions to the maximum income limits for persons of eligible income.

§18–105.

(a) Subject to the power of the Board of County Commissioners under § 18-104 of this title, the Queen Anne's Authority, in addition to the powers listed elsewhere in this Division II or any other law, may:

(1) make mortgage loans;

(2) make rent subsidy payments to or for persons of eligible income;

(3) make construction loans and long-term mortgage loans to a person to produce housing for persons of eligible income; or

(4) waive maximum income limits for persons 65 years of age or older.

(b) The Queen Anne's Authority may sell its bonds at public or private sale in the manner and on the terms that it authorizes by resolution.

§19–101.

Title 12 of this article applies to the Housing Authority of St. Mary's County except where it is inconsistent with this title.

§19–102.

(a) The Housing Authority of St. Mary's County is a public body corporate and politic that:

(1) exercises public and essential governmental functions; and

(2) has all the powers necessary or convenient to carry out the purposes of this Division II.

(b) (1) The Housing Authority of St. Mary's County consists of seven members appointed by the Commissioners for St. Mary's County.

(2) The term of a member is 5 years.

(3) The terms of the members are staggered as required by the terms provided for members of the Commissioners of the Housing Authority of St. Mary's County on October 1, 2006.

(4) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

§20–101.

Title 12 of this article applies to Somerset County except where it is inconsistent with this title.

§20–102.

In Somerset County, members of the council of a municipal corporation may serve as commissioners of the housing authority of the municipal corporation.

§21–101.

(a) In this title the following words have the meanings indicated.

(b) "Board of County Commissioners" means the Board of County Commissioners of Washington County.

(c) (1) "Housing project" means a work or undertaking that is planned, acquired, owned, used, developed, constructed, reconstructed, rehabilitated, or improved to provide:

(i) housing of which a substantial part shall be for persons of eligible income; and

(ii) streets, roads, sewers, water service, and other supporting public or private commercial, educational, cultural, recreational, community, or civic facilities that are needed for sound community development.

(2) "Housing project" includes lands, buildings, improvements, and other real or personal property.

(d) "Person of eligible income" means an individual or family who the Washington Authority determines lacks sufficient income or assets without financial assistance to live in decent, safe, and sanitary housing without overcrowding.

(e) "Washington Authority" means the Housing Authority of Washington County.

§21–102.

The General Assembly finds that:

(1) there are in the area of operation of the Washington Authority unsafe and unsanitary housing and a shortage of safe and sanitary housing for persons of eligible income;

(2) these conditions cause too much public money to be spent for crime prevention and punishment, public health and safety, fire and accident protection, and other public services and facilities;

(3) the public interest requires the remedying of these conditions;

(4) the assistance provided under this title to remedy these conditions is a public use and purpose and an essential governmental function for which public money may be spent; and

(5) this title is necessary in the public interest.

§21–103.

Title 12 of this article applies to the Washington Authority except where it is inconsistent with this title.

§21–104.

The Housing Authority of Washington County is a public body corporate and politic that:

(1) exercises public and essential governmental functions; and

(2) has all the powers necessary or convenient to carry out the purposes of this Division II.

§21–105.

(a) This section does not apply if its application would disqualify the State or a county from receiving federal money.

(b) (1) The Board of County Commissioners shall:

(i) adopt policies, regulations, or amendments that are necessary to implement:

1. federally or State assisted housing programs; and

2. locally funded housing programs undertaken in accordance with this Division II;

(ii) review and approve each housing project that the Washington Authority proposes before the housing project may be started; and

(iii) establish maximum income limits for persons of eligible income.

(2) For special housing projects, the Board of County Commissioners may establish exceptions to the maximum income limits for persons of eligible income.

§21–106.

(a) Subject to the power of the Board of County Commissioners under § 21-105 of this title, the Washington Authority, in addition to the powers listed in this Division II and provided by local law, may:

(1) make mortgage loans;

(2) make rent subsidy payments to or for persons of eligible income;

(3) make construction loans and long-term mortgage loans to a person to produce housing for persons of eligible income; or

(4) waive maximum income limits for persons 65 years of age or older.

(b) The Washington Authority may sell its bonds at public or private sale in the manner and on the terms that it authorizes by resolution.

§22–101.

Title 12 of this article applies to Indian housing authorities except where it is inconsistent with this title.

§22–102.

An Indian tribe may establish an authority on approval by ordinance or resolution of the governing body and chief elected official of the political subdivision where the authority is to be located.

§22–103.

(a) An Indian authority may do anything necessary or convenient to participate in any State or federal program of low and moderate income housing assistance and community development, including:

(1) entering into and performing a contract or agreement with the State, the United States, or a unit of the federal government;

(2) developing or operating a housing project if approval by ordinance or resolution is obtained from the governing body and chief elected official of the political subdivision where the housing project is located; and

(3) acting as a public housing agency within the meaning of federal law and as an authority within the meaning of State law.

(b) The Department of Housing and Community Development or an authority, acting as a local public agency or public housing agency, may do anything necessary or convenient on behalf of Native American Indians or an Indian tribe in the State.

§23–101.

This Division II is the Housing Authorities Law.