

Chapter 678

(House Bill 168)

AN ACT concerning

Housing and Community Development – Affordable Housing – Educator Workforce Housing and Municipal Corporations

FOR the purpose of authorizing a county board of education to consider the provision of educator workforce housing as a school purpose under certain provisions of law; establishing that providing educator workforce housing is an eligible use of certain financial assistance provided by the Department of Housing and Community Development; establishing that teachers and other employees of a local school system shall be considered a specified group for purposes of the federal Low Income Housing Tax Credit program; altering the eligible recipients of certain financial assistance altering the eligible recipients of certain financial assistance and the housing innovation projects the Department of Housing and Community Development shall prioritize for certain financial assistance under the Housing Innovation Pilot Program; altering the projects qualifying as eligible to provide services to a priority funding area under the Neighborhood and Community Assistance Program; and generally relating to affordable housing.

BY repealing and reenacting, with amendments,
 Article – Education
 Section 4–115
 Annotated Code of Maryland
 (2025 Replacement Volume and 2025 Supplement)

~~BY adding to
 Article – Housing and Community Development
 Section 1–103
 Annotated Code of Maryland
 (2019 Replacement Volume and 2025 Supplement)~~

BY repealing and reenacting, with amendments,
 Article – Housing and Community Development
 Section ~~1–101~~, 4–512, 4–3001 through 4–3004, and 6–405
 Annotated Code of Maryland
 (2019 Replacement Volume and 2025 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 That the Laws of Maryland read as follows:

Article – Education

4–115.

(a) (1) In this subtitle~~], “county] ~~THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~~~

~~(2) “COUNTY council” means, in Baltimore City, the Mayor and City Council of Baltimore.~~

~~(3) “SCHOOL PURPOSES” INCLUDES PROVIDING EDUCATOR WORKFORCE HOUSING IN ACCORDANCE WITH § 1-103, AS DEFINED IN § 1-101 OF THE HOUSING AND COMMUNITY DEVELOPMENT ARTICLE.~~

(2) FOR PURPOSES OF THIS SUBTITLE, A COUNTY BOARD MAY CONSIDER THE PROVISION OF EDUCATOR WORKFORCE HOUSING, AS DEFINED IN § 1-101 OF THE HOUSING AND COMMUNITY DEVELOPMENT ARTICLE, AS A SCHOOL PURPOSE.

(b) With the approval of the State Superintendent, or the State Superintendent’s designee, each county board may:

(1) Buy or otherwise acquire land, school sites, or buildings; and

(2) Rent, repair, improve, and build school buildings or approve contracts for doing so, if the plans conform to the bylaws, rules, and regulations of the State Board.

(c) (1) (i) Except as provided in this subsection, if, with the approval of the State Superintendent, or the State Superintendent’s designee, a county board finds that any land, school site, or building no longer is needed for school purposes, it shall inform the county commissioners or county council of the county board’s determination under this subparagraph.

(ii) When the county commissioners or county council receives notice under subparagraph (i) of this paragraph, the county commissioners or county council shall notify the county board within 30 days after receiving the notice from the county board:

1. Of the need to transfer the land, school site, or building to the county commissioners or county council if the land, school site, or building is an integral component of an existing economic development plan that will, in the judgment of the county commissioners or county council, significantly benefit the county; or

2. That the county commissioners or county council has no existing plans for the use of the land, school site, or building.

(iii) 1. If the county commissioners or county council provides the required notice to the county board under subparagraph (ii)1 of this paragraph or a public charter school does not need the school site or building under § 9-111 of this article, the

land, school site, or building shall be transferred by the county board to the county commissioners or county council and may be used, sold, leased, or otherwise disposed of, except by gift, by the county commissioners or county council.

2. If the county commissioners or county council provides the required notice to the county board under subparagraph (ii)2 of this paragraph, the county board shall comply with the provisions of § 9–111 of this article.

(2) In Harford County, if, with the approval of the State Superintendent, or the State Superintendent’s designee, the county board finds that any land, school site, or building is no longer needed for school purposes, it shall be transferred by the county board to Harford County, Maryland, and disposed of in accordance with this section.

(3) With the approval of the State Superintendent, or the State Superintendent’s designee, the Cecil County Board may transfer, with or without charge, any of its property to the board of trustees of a public community college.

(d) In Baltimore County, the Baltimore County Board of Education must notify the Baltimore County Office of Planning and Zoning of any schools it is considering for closure and request from that Office a written recommendation on the proposed action. If the Office of Planning and Zoning wishes to make a recommendation, it must be submitted to the board no later than November 1 of the calendar year preceding the proposed closure. The board of education shall consider these recommendations at least 3 months before taking final action. These provisions may be waived by mutual agreement.

(e) (1) In Baltimore City, the Board of School Commissioners shall notify the Baltimore City Department of Planning of any school buildings the board is considering for closure simultaneously as the board releases its school building closure list in accordance with COMAR 13A.02.09, and request from that department a written recommendation on the proposed action and the relative merit for Baltimore City.

(2) A recommendation by the Baltimore City Department of Planning shall be submitted to the board no later than 30 days after notification by the board.

(3) The board shall consider these recommendations before taking final action.

(4) The requirements of this subsection may be waived by mutual agreement between the board and the Baltimore City Department of Planning.

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) “EDUCATOR WORKFORCE HOUSING” MEANS ANY HOUSING THAT IS:

(1) RENTED OR SOLD AS AFFORDABLE, LOW- OR MODERATE-INCOME HOUSING; AND

(2) RESERVED FOR TEACHERS OR OTHER EMPLOYEES OF A LOCAL SCHOOL SYSTEM WHO ARE NOT ADMINISTRATORS RESPONSIBLE FOR THE STRATEGIC DIRECTION AND DAILY OPERATIONS OF THE LOCAL SCHOOL SYSTEM OR A PUBLIC SCHOOL.

(F) (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)] (G) “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)] (H) “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)] (I) “Person” means an individual, receiver, trustee, guardian, personal representative, fiduciary, representative of any kind, partnership, firm, association, corporation, or other entity.

[(i)] (J) “Political subdivision” means a county or municipal corporation of the State.

~~[(j)] (K)~~ “Secretary” means the Secretary of Housing and Community Development.

~~[(k)] (L)~~ “Veteran” has the meaning stated in § 9-901 of the State Government Article.

~~1-103.~~

~~(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 OR MODERATE INCOME HOUSING OR WORKFORCE HOUSING.~~

~~(3) “EDUCATOR WORKFORCE HOUSING” MEANS AFFORDABLE HOUSING THAT IS RESERVED FOR TEACHERS OR OTHER EMPLOYEES OF A LOCAL SCHOOL SYSTEM.~~

~~(B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THIS SECTION APPLIES TO ANY PROGRAM OPERATED BY THE DEPARTMENT THAT AWARDS LOANS, GRANTS, TAX CREDITS, OR OTHER FINANCIAL SUPPORT THAT MAY BE USED TO DEVELOP AFFORDABLE HOUSING.~~

~~(2) IF THE LAWS OR REGULATIONS GOVERNING A PARTICULAR PROGRAM ESTABLISH MORE SPECIFIC RULES REGARDING THE USE OF LOAN PROCEEDS, GRANTS, TAX CREDITS, OR OTHER FINANCIAL SUPPORT FOR EDUCATOR WORKFORCE HOUSING, THE MORE SPECIFIC RULES APPLY.~~

~~(C) (1) PROVIDING EDUCATOR WORKFORCE HOUSING, INCLUDING ON LAND, SCHOOL SITES, OR BUILDINGS BOUGHT OR OTHERWISE ACQUIRED BY A COUNTY BOARD OF EDUCATION AND USED TO DEVELOP AFFORDABLE HOUSING, IS AN ELIGIBLE USE OF THE PROCEEDS OF A LOAN, GRANT, TAX CREDIT, OR OTHER FINANCIAL SUPPORT COVERED UNDER THIS SECTION.~~

~~(2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE DEPARTMENT SHALL NOTIFY APPLICANTS FOR A LOAN, GRANT, TAX CREDIT, OR OTHER FINANCIAL SUPPORT COVERED UNDER THIS SECTION THAT PROVIDING EDUCATOR WORKFORCE HOUSING, INCLUDING ON LAND, SCHOOL SITES, OR BUILDINGS BOUGHT OR OTHERWISE ACQUIRED BY A COUNTY BOARD OF EDUCATION AND USED TO DEVELOP AFFORDABLE HOUSING, IS AN ELIGIBLE USE OF THE FINANCIAL SUPPORT.~~

~~(H) THE NOTICE REQUIREMENT UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH DOES NOT APPLY WHEN AN INDIVIDUAL APPLIES FOR A LOAN, GRANT, TAX CREDIT, OR OTHER FINANCIAL SUPPORT UNDER A DEPARTMENT PROGRAM THAT DOES NOT FOCUS ON HOUSING.~~

~~(D) (1) IT IS THE POLICY OF THE STATE TO SUPPORT EDUCATOR WORKFORCE HOUSING DEVELOPMENT IN THE STATE.~~

~~(2) TEACHERS AND OTHER EMPLOYEES OF A LOCAL SCHOOL SYSTEM SHALL BE CONSIDERED A SPECIFIED GROUP FOR PURPOSES OF THE FEDERAL LOW INCOME HOUSING TAX CREDIT PROGRAM AND ANY OTHER APPLICABLE FEDERAL AFFORDABLE HOUSING DEVELOPMENT PROGRAM THAT USES STATE LAW TO DETERMINE ELIGIBILITY.~~

4-512.

(a) ~~(1) In this section[,] THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(2) “EDUCATOR WORKFORCE HOUSING” HAS THE MEANING STATED IN § 1-103 OF THIS ARTICLE.~~

~~(3) “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, MUNICIPAL CORPORATIONS, AND COUNTY BOARDS OF EDUCATION to develop mixed-income, cross-subsidized housing ~~AND, INCLUDING~~ EDUCATOR WORKFORCE 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, **MUNICIPAL CORPORATIONS, OR COUNTY BOARDS OF EDUCATION** 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, **MUNICIPAL CORPORATION, OR COUNTY BOARD OF EDUCATION**, 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.

4-3001.

(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 ~~or, including~~ **EDUCATOR WORKFORCE 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 **OR THE COUNTY BOARD OF EDUCATION IN WHOSE JURISDICTION** the project is located possesses majority ownership or control.

4–3002.

(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, **MUNICIPAL CORPORATIONS, AND COUNTY BOARDS OF EDUCATION** to increase the volume of housing production; and

(2) to reward counties, **MUNICIPAL CORPORATIONS, AND COUNTY BOARDS OF EDUCATION** pursuing innovative solutions to the problem of housing scarcity.

(c) The Program shall be operated with money in the Fund.

4–3003.

(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; ~~for~~

(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; ~~OR~~

~~(3) ANY PORTION OF THE UNITS ARE SET ASIDE FOR EDUCATOR WORKFORCE HOUSING UNDER § 1-103 OF THIS ARTICLE.~~

(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;

AND

(5) ANY PORTION OF THE UNITS ARE SET ASIDE FOR EDUCATOR WORKFORCE HOUSING.

4-3004.

(a) The Department shall:

(1) coordinate with local housing authorities [and], county governments, **MUNICIPAL CORPORATIONS, AND COUNTY BOARDS OF EDUCATION** 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.

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) EDUCATOR WORKFORCE HOUSING ~~UNDER § 1-103 OF THIS ARTICLE;~~

~~[(ii)] (III) redevelopment assistance;~~

[(iii)] **(IV)** job training for individuals whose incomes do not exceed the upper income limits that the Secretary sets under § 4-212 of this article;

[(iv)] **(V)** education; and

[(v)] **(VI)** 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 **OR IF THE PROPOSED PROJECT IS AN EDUCATOR WORKFORCE HOUSING DEVELOPMENT PROJECT, THE LOCAL SCHOOL SYSTEM,** in which the proposed project is located.

(2) **[Except] SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION AND EXCEPT** as provided in paragraph [(4)] **(5)** 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) IF THE PROJECT IS AN EDUCATOR WORKFORCE HOUSING DEVELOPMENT PROJECT;

(I) APPROVAL BY A COUNTY BOARD OF EDUCATION OR AN AUTHORIZED DESIGNEE OF A LOCAL SCHOOL SYSTEM THAT BENEFITS FROM A PROJECT IS NOT REQUIRED; BUT

(II) THE DEPARTMENT MAY NOT APPROVE A PROPOSAL SUBMITTED UNDER THIS SECTION ~~UNLESS THE PROPOSAL IS ALSO APPROVED BY WITHOUT NOTIFYING~~ THE COUNTY BOARD OF EDUCATION OR AUTHORIZED DESIGNEE OF AT LEAST ONE LOCAL SCHOOL SYSTEM THAT BENEFITS FROM THE PROJECT IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION.

[(3)] (4) 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)] (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.

[(5)] (6) 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)] **(C)(6)** of this section.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2026.

Approved by the Governor, May 26, 2026.