

DATE: March 21, 2024
BILL NO.: House Bill 510
TITLE: Business Façade Improvement Program – Eligible Funding Recipients
COMMITTEE: Senate Education, Energy, and the Environment Committee

Letter of Support

Description of Bill:

House Bill 510 would expand eligible applicants under the Business Façade Improvement Program to include nonprofit Community Development Organizations (CDOs) that serve at least one Sustainable Community.

Background and Analysis:

Created by House Bill 706 in the 2023 legislative session, the Maryland Façade Improvement Program established a new stand-alone Business Façade Improvement Program in DHCD. Local governments are eligible to apply for grants under the program. Businesses are eligible to receive financing under the program if they are located in a designated Sustainable Community and plan to improve the outside appearance of the business' building or facility.

Historically, façade improvements have been a popular use of State of Maryland Revitalization Program grants, and funding demand has greatly exceeded funding availability. However, the majority of those grants have been awarded to community development organizations (CDOs), and not directly to local governments. CDOs tend to have the capacity, community relationships, and expertise needed to successfully execute these grants. In particular, many municipalities have nonprofit main street organizations that administer façade improvement grants on behalf of the local government. The proposed amendment would expand the pool of eligible applicants under the Business Façade Improvement Program, to include CDOs, consistent with the way the Department has historically administered façade improvement grants. The legislation would also remove a potential administrative barrier for CDOs that wish to participate in the program.

DHCD Position

The Department of Housing and Community Development respectfully requests a **favorable** report on HB 510.