

MARYLAND REGISTER

## Proposed Action on Regulations

**Date Filed with AELR Committee**

November 6, 2024

**Date Filed with Division of State Documents****Document Number**

24-194-P

**Date of Publication in MD Register**

**1. Desired date of publication in Maryland Register: December 13, 2024**

**2. COMAR Codification**

Title	Subtitle	Chapter	Regulation
05	20	05	02
05	20	05	03
05	20	05	04

**3. Promulgating Authority**

Department of Housing and Community Development

**4. Name of Regulations Coordinator**

Kristine Pullen

**Telephone Number**

201-429-7481

**Mailing Address**

7800 Harkins Road  
Lanham, MD 20706

**Email**

kristine.pullen@maryland.gov

## 5. Name of Person to Call About this Document

Mark Petruskas

### Telephone Number

301-429-7487

### Mailing Address

7800 Harkins Road  
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### Email

mark.petruskas@maryland.gov

## 6. Check applicable items:

<input type="checkbox"/>	New Regulations
<input checked="" type="checkbox"/>	Amendments to Existing Regulations
<input type="checkbox"/>	Repeal of Existing Regulations
<input type="checkbox"/>	Recodification
<input type="checkbox"/>	Incorporation by Reference of Documents Requiring DSD Approval

## 7. Is there Emergency text that is identical to this Proposal:

\_\_\_ Yes X No

## 8. Incorporation by Reference

<input type="checkbox"/>	Incorporation by Reference (IBR) approval form(s) attached and 16 copies of documents proposed for incorporation submitted to DSD. (Submit 16 paper copies of IBR document to DSD and one copy to AELR.)
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## 9. Public Body - Open Meeting

<input type="checkbox"/>	OPTIONAL - If promulgating authority is a public body, check to include a sentence in the Notice of Proposed Action that proposed action was considered at an open meeting held pursuant to General Provisions Article, §3-302(c), Annotated Code of Maryland
<input type="checkbox"/>	OPTIONAL - If promulgating authority is a public body, check to include a paragraph that final action will be considered at an open meeting

## 10. Children's Environmental Health and Protection

☐

Check if the system should send a copy of the proposal to the Children's Environmental Health and Protection Advisory Council

## 11. Certificate of Authorized Officer

I certify that the attached document is in compliance with the Administrative Procedure Act. I also certify that the attached text has been approved for legality by Mark Petruskas, Assistant Attorney General, telephone #301-429-7487, on November 1, 2024. A written copy of the approval is on file at this agency.

### Name of Authorized Officer

Jacob Day

### Title

Secretary

### Telephone No.

301-429-7458

### Date

November 2, 2024

## Title 05

# DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

## Subtitle 20 REVITALIZATION PROGRAMS

### 05.20.05 Business Façade Improvement Program

Authority: Housing and Community Development Article, §§2-102(a)(7) and 6-1103, Annotated Code of Maryland

#### Notice of Proposed Action

[24-194-P]

The Secretary of Housing and Community Development proposes to:  
amend Regulations .02-.04 under COMAR 05.20.05 Business Façade Improvement Program.

#### Statement of Purpose

The purpose of this action is to expand eligible recipients to include community development organizations under the Business Façade Improvement Program.

#### Estimate of Economic Impact

**I. Summary of Economic Impact.** The purpose of this proposed action is to describe policies and procedures for administering the Business Façade Improvement Program under House Bill 510 (Chapter 158) in the 2024 Maryland General Assembly session. The purpose of the program is to assist qualified businesses with improving the outside appearance of buildings and facilities. House Bill 510 expanded eligible applicants under the program to include community development organizations (CDO's) that serve at least one designated Sustainable Community. This is consistent with the way the Department financed many façade

improvements. Each local government or community development organization that receives Program funds must then distribute grants to qualified businesses that apply for a grant. Both DHCD, the local governments and community development organizations that receive program funds must establish an application process and award criteria, as appropriate. Beginning in fiscal 2025, the Governor is mandated to include an appropriation of \$5,000,000 in the annual budget bill to the program. A full-time staff (grade 17, step 11 project manager is required beginning in fiscal 2025, concurrent with the mandated program funding under HB 703 (2023).

## II. Types of Economic Impact.

Impacted Entity	Revenue (R+/R-) Expenditure (E+/E-)	Magnitude
A. On issuing agency:	NONE	
B. On other State agencies:	NONE	
C. On local governments:		
(1) Local Governments	(R+)	Indeterminable
	Benefit (+) Cost (-)	Magnitude
D. On regulated industries or trade groups:	NONE	
E. On other industries or trade groups:		
(1) Nonprofit Community Development Organizations	(+)	Indeterminable
F. Direct and indirect effects on public:		
(1) Public	(+)	Indeterminable

## III. Assumptions. (Identified by Impact Letter and Number from Section II.)

C(1). Local governments may benefit from increased revenue associated with improvements to business facades and facilities funded through community development organizations. However, the magnitude of the benefit cannot be determined.

E(1). Nonprofit community development organizations may benefit from additional funding to support business façade improvements, and an improved local business climate. The magnitude of the benefit cannot be determined.

F(1). The public will benefit from improved physical appearance of business facades and facilities, as well as increased economic activity and local revenue associated with improvements to business facades and facilities. The magnitude of this benefit cannot be determined.

### Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

### Impact on Individuals with Disabilities

The proposed action has an impact on individuals with disabilities as follows:

Improvements to business façades and facilities that improve accessibility, such as improvements to doorways and ramps, are eligible expenses under the program. As a result, the program may have a positive impact on persons with disabilities. However, the magnitude of the impact cannot be estimated.

### Opportunity for Public Comment

Comments may be sent to John Papagni, Program Officer of the Division of Neighborhood Revitalization, Department of Housing and Community Development, 7800 Harkins Road, Lanham, Maryland 20706, or call 301-429-7670 , or email to john.papagni@maryland.gov. Comments will be accepted through January 13, 2025. A public hearing has not been scheduled.

JACOB DAY  
Secretary

## Economic Impact Statement Part C

A. Fiscal Year in which regulations will become effective: **FY 25**

B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?

**Yes**

C. If 'yes', state whether general, special (exact name), or federal funds will be used:

**The FY25 appropriation for the Maryland Façade Improvement Program is General Obligation Bonds.**

D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:

E. If these regulations have no economic impact under Part A, indicate reason briefly:

F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.

**Small businesses will not be negatively impacted by the proposed regulations. Small businesses in the construction trades may benefit from economic activity associated with improvements to business facades and facilities. Small businesses receiving direct assistance through the business façade improvement program, as well as nearby businesses may benefit from an improved business climate, resulting in increased foot traffic and business income. However, the magnitude of this impact cannot be estimated.**

G. Small Business Worksheet:

**none**

# Title 05 DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

## Subtitle 20 Revitalization Programs

### Chapter 05 Business Façade Improvement Program

Authority: Housing and Community Development Article, §§2-102(a)(7) and 6-1103, Annotated Code of Maryland

**.01** (text unchanged)

#### **.02 Definitions.**

A. In this chapter, the following terms have the meanings indicated.

B. Terms Defined.

(1)-(3) (text unchanged)

(4) *"Community development organization" means an organization that meets the requirements of Housing and Community Development Article, §6-203, Annotated Code of Maryland.*

[(4)] (5)- [(5)] (6) (text unchanged)

[(6)] (7) “Grantee” means a political subdivision *or community development organization* that receives funds under the Program.

[(7)] (8)- [(13)] (14) (text unchanged)

**.03 Eligible Applicants and Uses.**

A. A grantee shall meet the following minimum requirements:

- (1) Be a political subdivision *or a community development organization*;
- (2) (text unchanged)
- (3) (text unchanged)
- (4) [Have] *Serve* at least one sustainable community; and
- (5) (text unchanged)

B. (text unchanged)

**.04 Applications.**

A. (text unchanged)

B. An application submitted to the Department shall:

- (1) (text unchanged)
- (2) Be submitted by [a political subdivision] *an eligible applicant*;
- (3) Identify the sustainable communities within its jurisdiction *or service area*;
- (4)-(12) (text unchanged)

C.- D. (text unchanged)

**.05 - .09** (text unchanged)