

HOUSE BILL 1266

C8

(9lr1641)

ENROLLED BILL

— *Appropriations and Environment and Transportation/Education, Health, and Environmental Affairs and Budget and Taxation* —

Introduced by **Delegates Washington, B. Barnes, Charles, D.E. Davis, Fennell, W. Fisher, Gaines, Healey, Ivey, Jackson, Jones, Korman, Proctor, ~~and Turner~~ Turner, and Valentino-Smith**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **National Capital Strategic Economic Development Program – Established**

3 FOR the purpose of establishing the National Capital Strategic Economic Development
4 Program; providing for the administration and purpose of the Program; establishing
5 the type of community enhancement projects eligible to receive Program funds;
6 authorizing certain ~~housing authorities~~ government agencies, including housing
7 authorities and certain community development organizations to apply to receive
8 Program funds; requiring an eligible institution's application to contain certain
9 information; providing that community enhancement projects may be located in
10 more than one political subdivision; requiring the Department of Housing and
11 Community Development to establish a certain quantitative system to evaluate each
12 application; providing for the review of each application; requiring certain

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



1 notification to certain political subdivisions before an application may be approved;
 2 requiring the Department and the recipient of Program funds to enter into a certain
 3 agreement; authorizing the Department to exercise certain powers necessary to
 4 implement the Program and determine certain terms and conditions of the financial
 5 assistance; requiring the recipient of financial assistance from the Program to
 6 submit a certain quarterly progress report; altering the purpose and use of the
 7 National Capital Strategic Economic Development Fund; requiring the Governor, in
 8 certain fiscal years, to include certain appropriations in the annual operating budget
 9 to the Fund; requiring the Governor, in certain fiscal years, to include certain
 10 appropriations in the annual operating or capital budget ~~bill~~ for the Fund; defining
 11 certain terms; and generally relating to the establishment of the National Capital
 12 Strategic Economic Development Program.

13 BY renumbering

14 Article – Housing and Community Development
 15 Section 4–510
 16 to be Section 6–710
 17 Annotated Code of Maryland
 18 (2006 Volume and 2018 Supplement)

19 BY adding to

20 Article – Housing and Community Development
 21 Section 6–701 through 6–709 to be under the new subtitle “Subtitle 7. National
 22 Capital Strategic Economic Development Program”
 23 Annotated Code of Maryland
 24 (2006 Volume and 2018 Supplement)

25 BY repealing and reenacting, with amendments,

26 Article – Housing and Community Development
 27 Section 6–710
 28 Annotated Code of Maryland
 29 (2006 Volume and 2018 Supplement)
 30 (As enacted by Section 1 of this Act)

31 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 32 That Section(s) 4–510 of Article – Housing and Community Development of the Annotated
 33 Code of Maryland be renumbered to be Section(s) 6–710.

34 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
 35 as follows:

36 **Article – Housing and Community Development**

37 **SUBTITLE 7. NATIONAL CAPITAL STRATEGIC ECONOMIC DEVELOPMENT**
 38 **PROGRAM.**

1 **6-701.**

2 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
3 INDICATED.

4 (B) "COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION" HAS THE
5 MEANING STATED IN 12 U.S.C. § 4702.

6 (C) "COMMUNITY DEVELOPMENT ORGANIZATION" MEANS AN ENTITY THAT
7 MEETS THE REQUIREMENTS UNDER § 6-704 OF THIS SUBTITLE.

8 (D) (1) "FINANCIAL ASSISTANCE" MEANS A GRANT, A LOAN, OR AN
9 INVESTMENT PROVIDED UNDER THIS SUBTITLE.

10 (2) "FINANCIAL ASSISTANCE" INCLUDES:

11 (I) AN ASSURANCE;

12 (II) A GUARANTEE;

13 (III) A PREPAYMENT OF INTEREST ON A SUBORDINATE OR
14 SUPERIOR LOAN OR PORTION OF A LOAN;

15 (IV) A REDUCTION IN THE PRINCIPAL OBLIGATION OF OR RATE
16 OF INTEREST PAYABLE ON A LOAN OR A PORTION OF A LOAN; AND

17 (V) ANY OTHER FORM OF CREDIT ENHANCEMENT.

18 (E) "NATIONAL CAPITAL REGION" MEANS ~~THE AREA CONTAINING~~
19 ~~MONTGOMERY COUNTY AND PRINCE GEORGE'S COUNTY~~ THE AREAS OF THE STATE
20 LOCATED WITHIN:

21 (1) THE BOUNDARY CREATED BY INTERSTATE 495 IN THE STATE AND
22 THE DISTRICT OF COLUMBIA; AND

23 (2) (I) ANY QUALIFIED OPPORTUNITY ZONE DESIGNATED UNDER §
24 1400Z-1 OF THE INTERNAL REVENUE CODE IN MONTGOMERY COUNTY OR PRINCE
25 GEORGE'S COUNTY; OR

26 (II) AN ENTERPRISE ZONE, AS DEFINED IN § 5-701 OF THE
27 ECONOMIC DEVELOPMENT ARTICLE, IN MONTGOMERY COUNTY OR PRINCE
28 GEORGE'S COUNTY.

1 **(F) “PROGRAM” MEANS THE NATIONAL CAPITAL STRATEGIC ECONOMIC**
2 **DEVELOPMENT PROGRAM.**

3 **(G) “SUSTAINABLE COMMUNITY” MEANS AN AREA DESIGNATED AS A**
4 **SUSTAINABLE COMMUNITY UNDER § 6-205 OF THIS TITLE.**

5 **6-702.**

6 **(A) THERE IS A NATIONAL CAPITAL STRATEGIC ECONOMIC DEVELOPMENT**
7 **PROGRAM.**

8 **(B) THE DEPARTMENT SHALL ADMINISTER THE PROGRAM.**

9 **(C) THE PURPOSE OF THE PROGRAM IS TO:**

10 **(1) PROVIDE STRATEGIC INVESTMENT IN LOCAL HOUSING AND**
11 **BUSINESSES TO ENCOURAGE HEALTHY, SUSTAINABLE COMMUNITIES WITH A**
12 **GROWING TAX BASE AND ENHANCED QUALITY OF LIFE; AND**

13 **(2) FOCUS ON AREAS WHERE MODEST INVESTMENT AND**
14 **COORDINATED STRATEGIES WILL HAVE AN APPRECIABLE NEIGHBORHOOD**
15 **REVITALIZATION IMPACT.**

16 **6-703.**

17 **(A) THE COMMUNITY ENHANCEMENT PROJECTS ELIGIBLE TO RECEIVE**
18 **PROGRAM FUNDS INCLUDE:**

19 **(1) DOWN PAYMENT ASSISTANCE FOR HOMEBUYERS TO PURCHASE**
20 **AND REHABILITATE HOMES;**

21 **(2) PROGRAMS TO ACQUIRE OR REHABILITATE VACANT OR BLIGHTED**
22 **PROPERTIES;**

23 **(3) PROGRAMS TO IMPROVE EXISTING RESIDENTIAL AND BUSINESS**
24 **PROPERTIES;**

25 **(4) PROGRAMS TO ACHIEVE ENERGY EFFICIENCY THROUGH**
26 **WEATHERIZATION AND ENERGY RETROFITS;**

27 **(5) DEVELOPMENT OF AFFORDABLE HOUSING;**

28 **(6) DEVELOPMENT OF MIXED-USE PROJECTS THAT COMBINE**
29 **HOUSING, RETAIL, AND OFFICE SPACE;**

1 (7) DEVELOPMENT OR ENHANCEMENT OF COMMUNITY OPEN SPACE
2 OR PUBLIC INFRASTRUCTURE;

3 (8) WORKFORCE AND EMPLOYMENT DEVELOPMENT PROGRAMS,
4 WHEN ASSOCIATED WITH OTHER PROJECTS LISTED UNDER THIS SUBSECTION; AND

5 (9) CAREER AND TECHNICAL EDUCATION AND APPRENTICESHIP
6 PROGRAMS, WHEN ASSOCIATED WITH OTHER PROJECTS LISTED UNDER THIS
7 SUBSECTION; AND

8 (10) STRATEGIC DEMOLITION.

9 (B) PROGRAM FUNDS MAY BE USED FOR OPERATING COSTS NECESSARY TO
10 IMPLEMENT A COMMUNITY ENHANCEMENT PROJECT.

11 (C) THE SECRETARY MAY ESTABLISH ADDITIONAL COMMUNITY
12 ENHANCEMENT PROJECTS ELIGIBLE TO RECEIVE PROGRAM FUNDS.

13 **6-704.**

14 (A) (1) A ~~HOUSING AUTHORITY LOCATED~~ GOVERNMENT AGENCY,
15 INCLUDING A HOUSING AUTHORITY, WITH JURISDICTION IN THE NATIONAL CAPITAL
16 REGION, AN ENTITY CONTROLLED DIRECTLY OR INDIRECTLY BY A HOUSING
17 AUTHORITY THAT OPERATES IN THE NATIONAL CAPITAL REGION, AND, SUBJECT TO
18 PARAGRAPH (2) OF THIS SUBSECTION, A COMMUNITY DEVELOPMENT
19 ORGANIZATION ARE ELIGIBLE TO APPLY FOR PROGRAM FUNDS.

20 (2) A CORPORATION, A FOUNDATION, OR ANY OTHER LEGAL ENTITY
21 IS A COMMUNITY DEVELOPMENT ORGANIZATION ELIGIBLE TO APPLY FOR PROGRAM
22 FUNDS IF:

23 (I) THE PURPOSE OF THE ORGANIZATION IS TO IMPLEMENT A
24 CLEAR REVITALIZATION STRATEGY IN A NEIGHBORHOOD OR SET OF
25 NEIGHBORHOODS WITHIN THE NATIONAL CAPITAL REGION ~~OR THE~~
26 ~~INNER-BELTWAY COMMUNITIES OF MONTGOMERY COUNTY AND PRINCE GEORGE'S~~
27 ~~COUNTY; AND~~

28 (II) NO PART OF THE ORGANIZATION'S NET EARNINGS INURES
29 TO THE BENEFIT OF A PRIVATE SHAREHOLDER OR AN INDIVIDUAL HOLDING AN
30 INTEREST IN THE ENTITY.

1 (B) THE ELIGIBLE INSTITUTION'S APPLICATION MUST CONTAIN A
2 NEIGHBORHOOD REVITALIZATION PLAN THAT INCLUDES COMMUNITY
3 ENHANCEMENT PROJECTS LOCATED WITHIN A SUSTAINABLE COMMUNITY.

4 (C) AN ELIGIBLE INSTITUTION MAY APPLY WITH ANOTHER ELIGIBLE
5 INSTITUTION OR WITH A COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION THAT
6 HAS THE CAPACITY AND EXPERIENCE TO ASSIST IN THE FINANCING OF REAL ESTATE
7 PROJECTS WITHIN THE COMMUNITY.

8 (D) THE COMMUNITY ENHANCEMENT PROJECTS FOR WHICH AN ELIGIBLE
9 INSTITUTION APPLIES FOR PROGRAM FUNDS MAY BE LOCATED IN MORE THAN ONE
10 POLITICAL SUBDIVISION.

11 **6-705.**

12 (A) (1) A ~~HOUSING AUTHORITY LOCATED~~ GOVERNMENT AGENCY,
13 INCLUDING A HOUSING AUTHORITY, WITH JURISDICTION IN THE NATIONAL CAPITAL
14 REGION, AN ENTITY CONTROLLED DIRECTLY OR INDIRECTLY BY A HOUSING
15 AUTHORITY THAT OPERATES IN THE NATIONAL CAPITAL REGION, AND A
16 COMMUNITY DEVELOPMENT ORGANIZATION MAY APPLY TO THE DEPARTMENT TO
17 RECEIVE PROGRAM FUNDS FOR COMMUNITY ENHANCEMENT PROJECTS.

18 (2) THE DEPARTMENT SHALL ESTABLISH THE APPLICATION
19 PROCESS.

20 (3) THE APPLICATION SHALL CONTAIN:

21 (I) THE NEIGHBORHOOD REVITALIZATION PLAN;

22 (II) A DESCRIPTION OF EACH COMMUNITY ENHANCEMENT
23 PROJECT;

24 (III) ORGANIZATIONAL DOCUMENTS FOR THE COMMUNITY
25 DEVELOPMENT ORGANIZATION; AND

26 (IV) ANY OTHER INFORMATION THE DEPARTMENT REQUIRES.

27 (B) (1) THE DEPARTMENT, BY REGULATION, SHALL ESTABLISH A
28 QUANTITATIVE SYSTEM TO EVALUATE EACH APPLICATION.

29 (2) THE QUANTITATIVE EVALUATION SYSTEM SHALL EVALUATE EACH
30 APPLICATION BASED ON:

1 **(I) THE NEIGHBORHOOD REVITALIZATION PLAN AND HOW THE**
2 **PLAN RELATES TO THE GOALS OUTLINED IN THE COMMUNITY'S LARGER**
3 **SUSTAINABLE COMMUNITIES PLAN;**

4 **(II) THE DESCRIPTION OF THE COMMUNITY CONDITIONS AND**
5 **THE APPROPRIATENESS OF OUTLINED STRATEGIES TO ADDRESS THOSE**
6 **CONDITIONS;**

7 **(III) THE ABILITY OF EACH PROPOSED COMMUNITY**
8 **ENHANCEMENT PROJECT TO ADDRESS IDENTIFIED CHALLENGES WITHIN THE**
9 **COMMUNITY; AND**

10 **(IV) THE CAPACITY AND EXPERIENCE OF THE APPLICANT AND**
11 **THE APPLICANT'S PARTNERS TO COMPLETE THE PROPOSALS AND LEVERAGE**
12 **ADDITIONAL FINANCING.**

13 **(C) THE DEPARTMENT MAY GIVE ADDITIONAL CONSIDERATION TO**
14 **APPLICATIONS THAT INCLUDE:**

15 **(1) OPPORTUNITIES THAT PROMOTE COMPACT REDEVELOPMENT**
16 **AND CONNECT HOUSING AND JOB OPPORTUNITIES WITH TRANSPORTATION**
17 **OPTIONS;**

18 **(2) ACTIVITIES IN SPECIALLY DESIGNATED DISTRICTS THAT**
19 **ENCOURAGE RESIDENTIAL REINVESTMENT THAT REINFORCES THE SUCCESS OF THE**
20 **BUSINESSES IN THE DISTRICTS;**

21 **(3) COMMUNITY ENHANCEMENT PROJECTS THAT ENCOURAGE OR**
22 **INCORPORATE ELEMENTS THAT ADDRESS ENVIRONMENTAL RESPONSIBILITY AND**
23 **STEWARDSHIP INTO THE SITE AND PROJECT DEVELOPMENT, DESIGN, AND**
24 **CONSTRUCTION;**

25 **(4) COMMUNITY ENHANCEMENT PROJECTS THAT INCORPORATE**
26 **ADDITIONAL STATE AND LOCAL REVITALIZATION AND SMART GROWTH PROGRAMS**
27 **AND FINANCING TOOLS;**

28 **(5) CAPITAL INVESTMENTS AND BUSINESS PRACTICES THAT**
29 **INCORPORATE INCLUSIONARY HIRING PRACTICES THAT INCREASE LOCAL**
30 **WORKFORCE OPPORTUNITIES; AND**

31 **(6) PROJECTS WHOSE PURPOSE IS TO IDENTIFY FOR ACQUISITION,**
32 **ACQUIRE, DEVELOP, OR PROMOTE THE DEVELOPMENT OF VACANT OR BLIGHTED**
33 **PROPERTIES.**

1 **6-706.**

2 (A) THE DEPARTMENT SHALL:

3 (1) REVIEW EACH APPLICATION SUBMITTED UNDER § 6-705 OF THIS
4 SUBTITLE AND MAY REQUEST ADDITIONAL INFORMATION FROM THE APPLICANT;

5 (2) ACCEPT PUBLIC INPUT ON EACH APPLICATION; AND

6 (3) CONSIDER THE RECOMMENDATION OF ANY STATE UNIT.

7 (B) (1) THE DEPARTMENT MAY NOT APPROVE AN APPLICATION UNTIL
8 THE DEPARTMENT HAS PROVIDED WRITTEN NOTICE AND A REASONABLE
9 OPPORTUNITY TO COMMENT TO THE POLITICAL SUBDIVISION WHERE THE
10 PROPOSED COMMUNITY ENHANCEMENT PROJECT IS LOCATED.

11 (2) IF THE APPLICATION AFFECTS A NEIGHBORHOOD ENTIRELY
12 WITHIN A MUNICIPAL CORPORATION, THE DEPARTMENT MUST PROVIDE NOTICE
13 AND A REASONABLE OPPORTUNITY TO COMMENT TO THE MUNICIPAL CORPORATION
14 AND NOT THE SURROUNDING COUNTY.

15 (3) IF AN APPLICATION AFFECTS A NEIGHBORHOOD WITHIN MORE
16 THAN ONE POLITICAL SUBDIVISION, THE DEPARTMENT MUST PROVIDE NOTICE AND
17 A REASONABLE OPPORTUNITY TO COMMENT TO EACH POLITICAL SUBDIVISION.

18 (C) THE SECRETARY SHALL, SUBJECT TO SUBSECTION (B) OF THIS
19 SECTION, AWARD FINANCIAL ASSISTANCE TO AN APPLICANT:

20 (1) IN THE AMOUNT AND OF THE TYPE THAT THE SECRETARY
21 DETERMINES; AND

22 (2) UNDER THE TERMS OF A PROGRAM AGREEMENT.

23 **6-707.**

24 (A) THE DEPARTMENT AND A RECIPIENT OF FINANCIAL ASSISTANCE FROM
25 THE PROGRAM SHALL EXECUTE A PROGRAM AGREEMENT.

26 (B) THE RECIPIENT OF FINANCIAL ASSISTANCE FROM THE PROGRAM
27 SHALL COMPLY WITH THE TERMS OF THE PROGRAM AGREEMENT.

28 (C) THE PROGRAM AGREEMENT MAY NOT ALLOW FOR MORE THAN 40% OF
29 THE TOTAL FINANCIAL ASSISTANCE THAT THE PROGRAM PROVIDES TO BE USED FOR
30 OPERATING EXPENDITURES.

1 **(D) THE DEPARTMENT MAY EXERCISE ANY REMEDY PROVIDED UNDER THE**
2 **PROGRAM AGREEMENT OR BY LAW IF THE RECIPIENT OF FINANCIAL ASSISTANCE**
3 **FROM THE PROGRAM:**

4 **(1) VIOLATES ANY PROVISION OF THE AGREEMENT; OR**

5 **(2) CEASES TO MEET ANY REQUIREMENT OF THIS SUBTITLE.**

6 **6-708.**

7 **(A) THE DEPARTMENT HAS THE POWERS NECESSARY TO IMPLEMENT THE**
8 **PROGRAM.**

9 **(B) (1) THE DEPARTMENT MAY DETERMINE THE TERMS AND**
10 **CONDITIONS FOR OR ESTABLISH TIME LIMITS FOR THE USE OF FINANCIAL**
11 **ASSISTANCE AWARDED UNDER THIS SUBTITLE.**

12 **(2) THE FINANCIAL ASSISTANCE AWARDED UNDER THIS SUBTITLE**
13 **MAY BE SECURED BY A MORTGAGE, A LIEN, OR ANY OTHER SECURITY INTEREST**
14 **THAT IS SUPERIOR TO OR SUBORDINATE TO OTHER MORTGAGES, LIENS, OR OTHER**
15 **SECURITY INTERESTS.**

16 **(C) (1) THE DEPARTMENT MAY, SUBJECT TO ANY LIMITS IMPOSED BY**
17 **LAW, ENFORCE THE TERMS AND CONDITIONS OF THE FINANCIAL ASSISTANCE**
18 **AWARDED UNDER THIS SUBTITLE.**

19 **(2) IF ANY FINANCIAL ASSISTANCE AWARDED UNDER THIS SUBTITLE**
20 **IS SECURED BY A FIRST OR SUBORDINATE MORTGAGE OR OTHER LIEN, THE**
21 **DEPARTMENT MAY, SUBJECT TO ANY LIMITS IMPOSED BY LAW:**

22 **(I) BEGIN AN ACTION TO PROTECT OR ENFORCE ANY RIGHT**
23 **GIVEN BY LAW, CONTRACT, OR OTHER AGREEMENT;**

24 **(II) FORECLOSE ON PROPERTY;**

25 **(III) PURCHASE PROPERTY AT ANY FORECLOSURE OR OTHER**
26 **SALE, OR ACQUIRE OR TAKE POSSESSION OF THE PROPERTY THROUGH**
27 **CONVEYANCE IN LIEU OF FORECLOSURE OR OTHERWISE, AND CONVEY PROPERTY**
28 **AFTER ACQUIRING IT;**

29 **(IV) SETTLE OR COMPROMISE ANY DEBT OR OBLIGATION OWED**
30 **TO THE DEPARTMENT;**

1 (V) PAY THE PRINCIPAL OF AND INTEREST ON ANY OBLIGATION
2 INCURRED IN CONNECTION WITH THE PROPERTY AND DISPOSE OF OR OTHERWISE
3 DEAL WITH THE PROPERTY TO PROTECT THE INTERESTS OF THE PROGRAM; OR

4 (VI) RELEASE OR SELL ANY MORTGAGE, OBLIGATION, OR
5 PROPERTY THAT THE DEPARTMENT HOLDS AT PUBLIC OR PRIVATE SALE, WITH OR
6 WITHOUT PUBLIC BIDDING.

7 (D) (1) THE DEPARTMENT MAY CONTRACT WITH ANY PERSON OR
8 GOVERNMENTAL UNIT FOR PROPERTY OR SERVICES NECESSARY TO OPERATE THE
9 PROGRAM.

10 (2) THE DEPARTMENT MAY CONTRACT FOR AND ACCEPT ANY GRANT,
11 CONTRIBUTION, OR LOAN OF MONEY, PROPERTY, OR OTHER AID FROM THE
12 FEDERAL GOVERNMENT AND MAY DO ALL THINGS CONSISTENT WITH THIS SUBTITLE
13 TO QUALIFY FOR THE AID.

14 (E) IN CONNECTION WITH ANY LOANS THAT THE DEPARTMENT MAKES, THE
15 DEPARTMENT MAY:

16 (1) REQUIRE AND OBTAIN APPRAISALS, CREDIT INFORMATION, AND
17 OTHER PERTINENT INFORMATION; AND

18 (2) CHARGE INTEREST.

19 (F) THE DEPARTMENT MAY CONSENT TO THE MODIFICATION OF ANY
20 PROVISION OF A PROGRAM AGREEMENT IF THE MODIFICATION IS IN THE BEST
21 INTEREST OF THE PROGRAM.

22 **6-709.**

23 (A) THE RECIPIENT OF FINANCIAL ASSISTANCE FROM THE PROGRAM
24 SHALL SUBMIT TO THE DEPARTMENT QUARTERLY PROGRESS REPORTS ON THE
25 DEVELOPMENT OF A COMMUNITY ENHANCEMENT PROJECT.

26 (B) (1) ON OR BEFORE OCTOBER 31 EACH YEAR, THE DEPARTMENT
27 SHALL SUBMIT A REPORT TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE
28 STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

29 (2) THE REPORT SHALL INCLUDE, FOR THE PREVIOUS FISCAL YEAR:

30 (I) THE NUMBER OF APPLICATIONS RECEIVED;

1 **(II) THE NUMBER AND LOCATION OF COMMUNITY**
2 **ENHANCEMENT PROJECTS;**

3 **(III) THE FINANCIAL STATUS OF THE PROGRAM, INCLUDING THE**
4 **AMOUNT AND TYPES OF FINANCIAL ASSISTANCE ENCUMBERED AND DISBURSED;**
5 **AND**

6 **(IV) A SUMMARY OF THE QUARTERLY REPORTS SUBMITTED**
7 **UNDER SUBSECTION (A) OF THIS SECTION.**

8 6–710.

9 (a) In this section, “Fund” means the National Capital Strategic Economic
10 Development Fund.

11 (b) There is a National Capital Strategic Economic Development Fund.

12 (c) The purpose of the Fund is to provide [grants to assist in predevelopment
13 activities for commercial and residential development, including site acquisition, land
14 assembly, architecture and engineering, and site development for revitalization in
15 designated areas of the State] **FINANCIAL ASSISTANCE UNDER THE PROGRAM.**

16 (d) The Department shall administer the Fund.

17 (e) (1) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of
18 the State Finance and Procurement Article.

19 (2) The State Treasurer shall hold the Fund separately, and the
20 Comptroller shall account for the Fund.

21 (f) The Fund consists of:

22 (1) money appropriated in the State budget to the Fund;

23 (2) interest earnings of the Fund; and

24 (3) any other money from any other source accepted for the benefit of the
25 Fund.

26 (g) [(1) (i)] The Fund may be used only [to provide grants to government
27 agencies and nonprofit community development organizations for commercial or residential
28 development projects for site acquisition, land assembly, architecture and engineering, and
29 site development for revitalization in an area designated as a Sustainable Community.

30 (ii) Commercial and residential development projects include:

- 1 1. renovation and rehabilitation of single family homes;
- 2 2. acquisition and rehabilitation of vacant homes for resale
- 3 to new homebuyers;
- 4 3. improvements to business properties;
- 5 4. enhancement of community open space or public
- 6 infrastructure; and
- 7 5. workforce and employment development programs.

8 (2) (i) For fiscal year 2019 and each fiscal year thereafter, to be eligible
9 for a grant from the Fund, a government agency or nonprofit community development
10 organization shall provide evidence of a matching fund that is equal to \$1 for every \$4 in
11 State funding that the agency or organization is applying for from the Fund.

12 (ii) The matching fund required under subparagraph (i) of this
13 paragraph may include:

- 14 1. money from the federal government, local government, or
- 15 any other public or private source;
- 16 2. real property;
- 17 3. in-kind contributions; and
- 18 4. funds expended before the date the grant is awarded.

19 (3) The Department shall award grants from the Fund on a competitive
20 basis] **FOR PROVIDING FINANCIAL ASSISTANCE UNDER THE PROGRAM.**

21 (h) (1) The State Treasurer shall invest the money of the Fund in the same
22 manner as other State money may be invested.

23 (2) Any interest earnings of the Fund shall be credited to the Fund.

24 (i) Expenditures from the Fund may be made only in accordance with the State
25 budget.

26 (j) [If the Governor includes in the annual budget bill an appropriation to the
27 Fund, the appropriation shall be allocated as follows:

28 (1) 85% for projects in those areas of the State located between Interstate
29 Highway 495 and the District of Columbia; and

1 (2) 15% for projects throughout the State.]

2 (1) FOR FISCAL YEARS 2021 THROUGH 2025, THE GOVERNOR SHALL
3 INCLUDE IN THE ANNUAL OPERATING BUDGET AN APPROPRIATION FOR THE FUND
4 IN THE AMOUNT OF \$200,000.

5 (2) FOR FISCAL YEARS 2021 THROUGH 2025, THE GOVERNOR SHALL
6 INCLUDE IN THE ANNUAL OPERATING OR CAPITAL BUDGET ~~BILL~~ AN APPROPRIATION
7 FOR THE FUND IN THE AMOUNT OF \$7,000,000.

8 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 October 1, 2019.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.