

HOUSE BILL 238

C8

7lr0979

By: **Delegate Lafferty**

Introduced and read first time: January 20, 2017

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Housing – Workforce Housing Grant Program – Mandatory Funding**

3 FOR the purpose of requiring the Governor to appropriate a certain amount of funding for
4 each of a certain number of years to the Workforce Housing Fund to be restricted to
5 projects in designated sustainable communities; adding the Workforce Housing
6 Grant Program to a certain list of programs that are required to give State funding
7 priority to a sustainable community; defining a certain term; and generally relating
8 to the Workforce Housing Grant Program.

9 BY repealing and reenacting, without amendments,
10 Article – Housing and Community Development
11 Section 4–506 and 6–201(l)
12 Annotated Code of Maryland
13 (2006 Volume and 2016 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Housing and Community Development
16 Section 4–1801, 4–1802, and 6–212
17 Annotated Code of Maryland
18 (2006 Volume and 2016 Supplement)

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

21 **Article – Housing and Community Development**

22 4–506.

23 (a) In this section, “Fund” means the Workforce Housing Fund.

24 (b) There is a Workforce Housing Fund.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (c) As provided in the State budget, the Department shall use the Fund to operate
2 and provide funds under the Workforce Housing Grant Program.

3 (d) The Fund consists of:

4 (1) money appropriated by the State;

5 (2) repayments of principal and payments of interest on loans made under
6 the Workforce Housing Grant Program;

7 (3) amounts paid in connection with transfers of homeownership workforce
8 housing units;

9 (4) money transferred to the Fund in accordance with this subtitle; and

10 (5) investment earnings of the Fund.

11 4–1801.

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

13 (b) “Affordable” means that housing costs do not exceed 30% of a household’s
14 income.

15 (c) “Area median income” means the median household income for the area
16 adjusted for household size as published and annually updated by the United States
17 Department of Housing and Urban Development.

18 (d) “Development costs” means costs related to acquisition, site clearance and
19 preparation, relocation, construction, renovation, financing, refinancing, engineering, or
20 architectural plans.

21 (e) “Fund” means the Workforce Housing Fund.

22 (f) “Household of low or moderate income” means a household that a qualifying
23 local government determines cannot afford a sales price or rent sufficient to induce private
24 enterprise in the area of the qualifying local government to develop enough adequate and
25 safe housing without the assistance of a program.

26 (g) “Housing costs” means:

27 (1) rent for a rental housing unit; or

28 (2) mortgage principal and interest, real property taxes, and insurance for
29 a housing unit that is for sale.

1 (h) "Net proceeds of transfer" means all amounts paid to the original buyer or
2 obligations of the original buyer assumed by a purchaser of a workforce housing unit minus:

3 (1) reasonable costs paid by the original buyer;

4 (2) the combined amount of Program funds and qualifying local
5 government matching funds used to develop the workforce housing unit; and

6 (3) other liens as permitted by regulation by the Department.

7 (i) "Priority funding area" has the meaning stated in § 5–7B–02 of the State
8 Finance and Procurement Article.

9 (j) "Program" means the Workforce Housing Grant Program.

10 (k) "Qualifying local government" means a county or municipal corporation that
11 qualifies for participation in the Program under § 4–1803 of this subtitle.

12 **(L) "SUSTAINABLE COMMUNITY" HAS THE MEANING STATED IN § 6–201 OF**
13 **THIS ARTICLE.**

14 **[(l)] (M)** "Workforce housing" means:

15 (1) rental housing that is affordable for a household with an aggregate
16 annual income between 50% and 100% of the area median income; or

17 (2) homeownership housing that:

18 (i) except as provided in item (ii) of this item, is affordable to a
19 household with an aggregate annual income between 60% and 120% of the area median
20 income; or

21 (ii) in target areas that are recognized by the Secretary for purposes
22 of administering the Maryland Mortgage Program, is affordable to a household with an
23 aggregate annual income between 60% and 150% of the area median income.

24 4–1802.

25 (a) There is a Workforce Housing Grant Program.

26 (b) The Program provides flexible funds to qualifying local governments for
27 workforce housing programs, including programs that finance development costs.

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

29 **(D) FOR EACH OF FISCAL YEARS 2019, 2020, 2021, 2022, AND 2023:**

1 **(1) THE GOVERNOR SHALL APPROPRIATE AT LEAST \$4,000,000 TO**
2 **THE FUND IN THE ANNUAL STATE BUDGET BILL; AND**

3 **(2) THE FUNDING MANDATED IN ITEM (1) OF THIS SUBSECTION SHALL**
4 **BE RESTRICTED TO PROJECTS IN DESIGNATED SUSTAINABLE COMMUNITIES.**

5 6–201.

6 (1) “Sustainable community” means the part of a priority funding area that:

7 (1) as determined by the Smart Growth Subcabinet, satisfies the
8 requirements of § 6–205 of this subtitle;

9 (2) has been designated as a BRAC Revitalization and Incentive Zone
10 under Title 5, Subtitle 13 of the Economic Development Article; or

11 (3) has been designated a transit-oriented development under § 7–101 of
12 the Transportation Article.

13 6–212.

14 (a) Subject to subsection (b) of this section, a sustainable community shall receive
15 priority for State funding under the:

16 (1) Community Legacy Program under this subtitle;

17 **(2) WORKFORCE HOUSING GRANT PROGRAM UNDER TITLE 4,**
18 **SUBTITLE 18 OF THIS ARTICLE;**

19 **[(2)] (3)** Sustainable Communities Tax Credit Program for commercial
20 properties under Title 5A, Subtitle 3 of the State Finance and Procurement Article;

21 **[(3)] (4)** Neighborhood Business Development Program under Subtitle 3
22 of this title;

23 **[(4)] (5)** Maryland Historical Trust Grant Program under Title 5A,
24 Subtitle 3 of the State Finance and Procurement Article; and

25 **[(5)] (6)** African American Heritage Grant Program under Title 5A,
26 Subtitle 3 of the State Finance and Procurement Article.

27 (b) Priority for State funding provided under subsection (a) of this section is
28 available in a sustainable community only if:

29 (1) a political subdivision issues bonds, notes, or other similar instruments
30 for that sustainable community under:

1 (i) Title 21, Subtitle 4, Part II of the Local Government Article;

2 (ii) Title 21, Subtitle 5 of the Local Government Article; or

3 (iii) Title 12, Subtitle 2 of the Economic Development Article; or

4 (2) a political subdivision demonstrates to the appropriate unit of State
5 government that the political subdivision has funded infrastructure improvements in that
6 sustainable community.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
8 1, 2017.