

HOUSE BILL 60

C9

(PRE-FILED)

3lr0788
CF 3lr1192

By: **Delegate Stewart**

Requested: November 15, 2022

Introduced and read first time: January 11, 2023

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Housing Innovation Pilot Program and Housing Innovation Fund –**
3 **Establishment**
4 **(Housing Innovation Pilot Program Act of 2023)**

5 FOR the purpose of establishing the Housing Innovation Pilot Program in the Department
6 of Housing and Community Development to provide funds for certain mixed-income,
7 cross-subsidized housing; establishing the Housing Innovation Fund as a special,
8 nonlapsing fund; and generally relating to the Housing Innovation Pilot Program.

9 BY adding to

10 Article – Housing and Community Development
11 Section 4-512; and 4-2901 through 4-2907 to be under the new subtitle “Subtitle 29.
12 Housing Innovation Pilot Program”
13 Annotated Code of Maryland
14 (2019 Replacement Volume and 2022 Supplement)

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

17 **Article – Housing and Community Development**

18 **4-512.**

19 **(A) IN THIS SECTION, “FUND” MEANS THE HOUSING INNOVATION FUND.**

20 **(B) THERE IS A HOUSING INNOVATION FUND.**

21 **(C) THE PURPOSE OF THE FUND IS TO PROVIDE LOANS FOR LOCAL HOUSING**
22 **AUTHORITIES TO DEVELOP MIXED-INCOME, CROSS-SUBSIDIZED HOUSING.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (D) THE DEPARTMENT SHALL ADMINISTER THE FUND.

2 (E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
3 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

4 (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,
5 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

6 (F) THE FUND CONSISTS OF:

7 (1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND; AND

8 (2) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR
9 THE BENEFIT OF THE FUND.

10 (G) THE FUND MAY BE USED ONLY TO PROVIDE LOW- OR NO-INTEREST
11 LOANS TO LOCAL HOUSING AUTHORITIES THROUGH THE HOUSING INNOVATION
12 PILOT PROGRAM IN ACCORDANCE WITH SUBTITLE 29 OF THIS TITLE.

13 (H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND
14 IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

15 (2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO
16 THE GENERAL FUND OF THE STATE.

17 (I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE
18 WITH THE STATE BUDGET.

19 SUBTITLE 29. HOUSING INNOVATION PILOT PROGRAM.

20 4-2901.

21 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
22 INDICATED.

23 (B) "FUND" MEANS THE HOUSING INNOVATION FUND.

24 (C) "HOUSING INNOVATION PROJECT" MEANS A PROJECT TO PROVIDE
25 MIXED-INCOME, CROSS-SUBSIDIZED HOUSING THAT QUALIFIES UNDER § 4-2903 OF
26 THIS SUBTITLE.

27 (D) "PROGRAM" MEANS THE HOUSING INNOVATION PILOT PROGRAM.

1 (E) "PUBLIC OWNERSHIP" MEANS THE STATE OR A POLITICAL SUBDIVISION
2 OF THE STATE POSSESSES MAJORITY OWNERSHIP OR CONTROL.

3 4-2902.

4 (A) THERE IS A HOUSING INNOVATION PILOT PROGRAM.

5 (B) THE PURPOSES OF THE PROGRAM ARE:

6 (1) TO CREATE OPPORTUNITIES FOR THE STATE'S PUBLIC HOUSING
7 AUTHORITIES TO INCREASE THE VOLUME OF HOUSING PRODUCTION; AND

8 (2) TO INCENTIVIZE HOUSING AUTHORITIES TO INCREASE
9 OPPORTUNITIES BY PROVIDING STATE MATCHING FUNDS FOR HOUSING
10 INNOVATION PROJECTS FUNDED THROUGH LOCAL REVOLVING LOAN FUNDS.

11 (C) THE PROGRAM SHALL BE OPERATED WITH MONEY IN THE FUND.

12 4-2903.

13 A PROJECT QUALIFIES AS A HOUSING INNOVATION PROJECT IF:

14 (1) IT PROVIDES NEW HOUSING IN WHICH:

15 (I) AT LEAST 20% OF THE UNITS ARE SET ASIDE FOR
16 HOUSEHOLDS WITH A GROSS ANNUAL INCOME OF NOT MORE THAN 50% OF THE AREA
17 MEDIAN INCOME FOR A HOUSEHOLD OF LIKE SIZE; AND

18 (II) AT LEAST 40% OF THE UNITS ARE SET ASIDE FOR
19 HOUSEHOLDS WITH A GROSS ANNUAL INCOME OF NOT MORE THAN 60% OF THE AREA
20 MEDIAN INCOME FOR A HOUSEHOLD OF LIKE SIZE;

21 (2) THE AFFORDABLE SET-ASIDES REQUIRED UNDER ITEM (1) OF
22 THIS SECTION REMAIN RESTRICTED AT ELECTED LEVELS FOR AT LEAST 99 YEARS;
23 AND

24 (3) THE PROJECT REMAINS IN PUBLIC OWNERSHIP.

25 4-2904.

26 BEFORE DRAWING DOWN ANY PROGRAM FUNDS, A LOCAL HOUSING
27 AUTHORITY SHALL:

1 **(1) PROVIDE EVIDENCE SATISFACTORY TO THE DEPARTMENT THAT**
2 **THE PROGRAM FUNDS WILL BE MATCHED BY THE LOCAL HOUSING AUTHORITY ON A**
3 **DOLLAR-FOR-DOLLAR BASIS; AND**

4 **(2) MEET OTHER PROGRAM CRITERIA ADOPTED BY THE SECRETARY.**

5 **4-2905.**

6 **THE DEPARTMENT SHALL:**

7 **(1) COORDINATE WITH LOCAL HOUSING AUTHORITIES TO ENSURE**
8 **ACCESS TO OTHER FINANCIAL RESOURCES, INCLUDING SENIOR DEBT PRODUCTS;**
9 **AND**

10 **(2) DEVELOP NEW RESOURCES IN SUPPORT OF STATEWIDE HOUSING**
11 **PRODUCTION.**

12 **4-2906.**

13 **(A) A LOCAL HOUSING AUTHORITY SHALL PROVIDE A**
14 **DOLLAR-FOR-DOLLAR MATCH FOR PROGRAM FUNDS AWARDED TO HOUSING**
15 **INNOVATION PROJECTS UNDER THIS SUBTITLE.**

16 **(B) IN ADMINISTERING THE PROGRAM, THE DEPARTMENT SHALL TAKE**
17 **INTO CONSIDERATION THE NEED FOR INCREASED DEVELOPMENT CAPACITY WITHIN**
18 **LOCAL HOUSING AUTHORITIES.**

19 **4-2907.**

20 **IN ADMINISTERING THE PROGRAM, THE DEPARTMENT SHALL PRIORITIZE**
21 **FUNDING FOR PROJECTS THAT:**

22 **(1) DO NOT USE LOW-INCOME HOUSING TAX CREDIT EQUITY OR**
23 **TAX-EXEMPT VOLUME CAP; AND**

24 **(2) COMMIT TO PREVAILING WAGE REQUIREMENTS.**

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
26 1, 2023. It shall remain effective for a period of 5 years and, at the end of June 30, 2028,
27 this Act, with no further action required by the General Assembly, shall be abrogated and
28 of no further force and effect.