

## Chapter 29

**(House Bill 684)**

AN ACT concerning

**Baltimore Regional Neighborhood Initiative Program – Codified**

FOR the purpose of establishing the Baltimore Regional Neighborhood Initiative Program; providing for the administration and purpose of the Program; establishing the type of community enhancement projects eligible to receive Program funds; authorizing certain community development organizations to apply to receive Program funds; requiring a community development organization's application to contain certain information; providing that community enhancement projects may be located in more than one political subdivision; requiring the Department of Housing and Community Development to establish a certain quantitative system to evaluate each application; providing for the review of each application; requiring certain ~~approval~~ notification to certain political subdivisions before an application may be approved; requiring the Department and the recipient of Program funds to enter into a certain agreement; authorizing the Department to exercise certain powers necessary to implement the Program and determine certain terms and conditions of the financial assistance; requiring the recipient of financial assistance from the Program to submit a certain quarterly progress report; establishing the Baltimore Regional Neighborhood Initiative Program Fund as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the Secretary of Housing and Community Development to administer the Fund; requiring the State Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying the contents of the Fund; specifying the purpose for which the Fund may be used; providing for the investment of money in and expenditures from the Fund; requiring the Governor, in certain fiscal years, to include a certain appropriation in the annual budget bill to the Fund; requiring the Governor to include a certain appropriation for a certain fiscal year; defining certain terms; requiring the Department to issue a certain request for proposals on or before a certain date; and generally relating to establishing the Baltimore Regional Neighborhood Initiative Program.

BY adding to

Article – Housing and Community Development

Section 6–501 through 6–510 to be under the new subtitle “Subtitle 5. Baltimore Regional Neighborhood Initiative Program”

Annotated Code of Maryland

(2006 Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,

Article – State Finance and Procurement

Section 6–226(a)(2)(i)

Annotated Code of Maryland

(2015 Replacement Volume)

BY repealing and reenacting, with amendments,  
 Article – State Finance and Procurement  
 Section 6–226(a)(2)(ii)84. and 85.  
 Annotated Code of Maryland  
 (2015 Replacement Volume)

BY adding to  
 Article – State Finance and Procurement  
 Section 6–226(a)(2)(ii)86.  
 Annotated Code of Maryland  
 (2015 Replacement Volume)

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

**Article – Housing and Community Development**

**SUBTITLE 5. BALTIMORE REGIONAL NEIGHBORHOOD INITIATIVE PROGRAM.**

**6–501.**

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

(B) “COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION” HAS THE MEANING STATED IN 12 U.S.C. § 4702.

(C) “COMMUNITY DEVELOPMENT ORGANIZATION” MEANS AN ENTITY THAT MEETS THE REQUIREMENTS SET FORTH UNDER § 6–504(A) OF THIS SUBTITLE.

(D) (1) “FINANCIAL ASSISTANCE” MEANS A GRANT, A LOAN, OR AN INVESTMENT PROVIDED UNDER THIS SUBTITLE.

(2) “FINANCIAL ASSISTANCE” INCLUDES:

(I) AN ASSURANCE;

(II) A GUARANTEE;

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

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

(V) ANY OTHER FORM OF CREDIT ENHANCEMENT.

(E) "PROGRAM" MEANS THE BALTIMORE REGIONAL NEIGHBORHOOD INITIATIVE PROGRAM.

(F) "SUSTAINABLE COMMUNITY" MEANS AN AREA DESIGNATED AS A SUSTAINABLE COMMUNITY UNDER § 6-205 OF THIS TITLE.

**6-502.**

(A) THERE IS A BALTIMORE REGIONAL NEIGHBORHOOD INITIATIVE PROGRAM.

(B) THE DEPARTMENT SHALL ADMINISTER THE PROGRAM.

(C) THE PURPOSE OF THE PROGRAM IS TO:

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

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

**6-503.**

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

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

(2) PROGRAMS TO ACQUIRE ~~AND REHABILITATE VACANT HOMES FOR RESALE TO NEW HOMEBUYERS~~ OR REHABILITATE VACANT OR BLIGHTED PROPERTIES;

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

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

(5) DEVELOPMENT OF MIXED-USE PROJECTS THAT COMBINE HOUSING, RETAIL, AND OFFICE SPACE;

(6) DEVELOPMENT OR ENHANCEMENT OF COMMUNITY OPEN SPACE OR PUBLIC INFRASTRUCTURE; ~~AND~~

(7) WORKFORCE AND EMPLOYMENT DEVELOPMENT PROGRAMS; AND

(8) STRATEGIC DEMOLITION.

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

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

6-504.

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

(1) THE PURPOSE OF THE ORGANIZATION IS TO IMPLEMENT A CLEAR REVITALIZATION STRATEGY IN A NEIGHBORHOOD OR SET OF NEIGHBORHOODS WITHIN BALTIMORE CITY OR THE INNER-BELTWAY COMMUNITIES OF BALTIMORE COUNTY OR ANNE ARUNDEL COUNTY; AND

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

(B) THE COMMUNITY DEVELOPMENT ORGANIZATION'S APPLICATION MUST CONTAIN A NEIGHBORHOOD REVITALIZATION PLAN THAT INCLUDES COMMUNITY ENHANCEMENT PROJECTS LOCATED WITHIN A SUSTAINABLE COMMUNITY.

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

(D) THE COMMUNITY ENHANCEMENT PROJECTS FOR WHICH A COMMUNITY DEVELOPMENT ORGANIZATION APPLIES FOR PROGRAM FUNDS MAY BE LOCATED IN MORE THAN ONE POLITICAL SUBDIVISION.

**6-505.**

**(A) (1) A COMMUNITY DEVELOPMENT ORGANIZATION MAY APPLY TO THE DEPARTMENT TO RECEIVE PROGRAM FUNDS FOR COMMUNITY ENHANCEMENT PROJECTS.**

**(2) THE DEPARTMENT SHALL ESTABLISH THE APPLICATION PROCESS.**

**(3) THE APPLICATION SHALL CONTAIN:**

**(I) THE NEIGHBORHOOD REVITALIZATION PLAN;**

**(II) A DESCRIPTION OF EACH COMMUNITY ENHANCEMENT PROJECT;**

**(III) A LOCAL GOVERNMENT RESOLUTION OF SUPPORT OR LETTER OF SUPPORT;**

**(IV) ORGANIZATIONAL DOCUMENTS FOR THE COMMUNITY DEVELOPMENT ORGANIZATION; AND**

**(V) ANY OTHER INFORMATION THE DEPARTMENT REQUIRES.**

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

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

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

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

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

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

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

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

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

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

(4) COMMUNITY ENHANCEMENT PROJECTS THAT INCORPORATE ADDITIONAL STATE AND LOCAL REVITALIZATION AND SMART GROWTH PROGRAMS AND FINANCING TOOLS; ~~AND~~

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

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

**6-506.**

(A) THE DEPARTMENT SHALL:

(1) REVIEW EACH APPLICATION SUBMITTED UNDER § 6-505 OF THIS SUBTITLE AND MAY REQUEST ADDITIONAL INFORMATION FROM THE APPLICANT;

(2) ACCEPT PUBLIC INPUT ON EACH APPLICATION; AND

(3) CONSIDER THE RECOMMENDATION OF ANY STATE UNIT.

**(B) (1) THE DEPARTMENT MAY NOT APPROVE AN APPLICATION ~~UNLESS~~ UNTIL THE DEPARTMENT HAS PROVIDED WRITTEN NOTICE AND A REASONABLE OPPORTUNITY TO COMMENT TO THE POLITICAL SUBDIVISION WHERE THE PROPOSED COMMUNITY ENHANCEMENT PROJECT IS LOCATED ~~APPROVES THE APPLICATION BY:~~**

**~~(I) RESOLUTION; OR~~**

**~~(II) LETTER DELIVERED TO THE DEPARTMENT BY THE POLITICAL SUBDIVISION.~~**

**(2) IF THE APPLICATION AFFECTS A NEIGHBORHOOD ENTIRELY WITHIN A MUNICIPAL CORPORATION, THE DEPARTMENT MUST PROVIDE NOTICE AND A REASONABLE OPPORTUNITY TO COMMENT TO THE MUNICIPAL CORPORATION AND NOT THE SURROUNDING COUNTY ~~MUST APPROVE THE APPLICATION UNDER PARAGRAPH (1) OF THIS SUBSECTION.~~**

**(3) IF AN APPLICATION AFFECTS A NEIGHBORHOOD WITHIN MORE THAN ONE POLITICAL SUBDIVISION, THE DEPARTMENT MUST PROVIDE NOTICE AND A REASONABLE OPPORTUNITY TO COMMENT TO EACH POLITICAL SUBDIVISION ~~MUST APPROVE THE APPLICATION BY:~~**

**~~(I) RESOLUTION; OR~~**

**~~(II) LETTER DELIVERED TO THE DEPARTMENT BY THE POLITICAL SUBDIVISION.~~**

**(C) THE SECRETARY SHALL AWARD FINANCIAL ASSISTANCE TO AN APPLICANT:**

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

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

**6-507.**

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

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

**(C) THE PROGRAM AGREEMENT MAY NOT ALLOW FOR MORE THAN ~~15%~~ 40% OF THE TOTAL FINANCIAL ASSISTANCE THAT THE PROGRAM PROVIDES TO BE USED FOR OPERATING EXPENDITURES.**

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

- (1) VIOLATES ANY PROVISION OF THE AGREEMENT; OR**
- (2) CEASES TO MEET ANY REQUIREMENT OF THIS SUBTITLE.**

**6-508.**

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

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

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

**(C) (1) THE DEPARTMENT MAY ENFORCE THE TERMS AND CONDITIONS OF THE FINANCIAL ASSISTANCE AWARDED UNDER THIS SUBTITLE.**

**(2) IF ANY FINANCIAL ASSISTANCE AWARDED UNDER THIS SUBTITLE IS SECURED BY A FIRST OR SUBORDINATE MORTGAGE OR OTHER LIEN, THE DEPARTMENT MAY:**

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

**(II) FORECLOSE ON PROPERTY;**

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



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

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

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

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

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

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

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

**(2) CHARGE INTEREST.**

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

**6-509.**

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

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

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

**(I) THE NUMBER OF APPLICATIONS RECEIVED;**

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

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

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

**6-510.**

**(A) IN THIS SECTION, “FUND” MEANS THE BALTIMORE REGIONAL NEIGHBORHOOD INITIATIVE PROGRAM FUND.**

**(B) THERE IS A BALTIMORE REGIONAL NEIGHBORHOOD INITIATIVE PROGRAM FUND.**

**(C) THE PURPOSE OF THE FUND IS TO PROVIDE FINANCIAL ASSISTANCE UNDER THE PROGRAM.**

**(D) THE SECRETARY SHALL ADMINISTER THE FUND.**

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

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

**(F) THE FUND CONSISTS OF:**

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

**(2) EARNINGS FROM THE INVESTMENT OF MONEY IN THE FUND;**

**(3) REPAYMENTS OF FINANCIAL ASSISTANCE PROVIDED BY THE PROGRAM;**

**(4) INTEREST EARNINGS OF THE FUND; AND**

**(5) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.**

**(G) THE FUND MAY BE USED ONLY FOR PROVIDING FINANCIAL ASSISTANCE UNDER THE PROGRAM.**

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

**(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE FUND.**

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

**(J) FOR ~~EACH FISCAL YEAR~~ FISCAL YEARS 2018 THROUGH 2022, THE GOVERNOR SHALL INCLUDE IN THE BUDGET BILL AN APPROPRIATION TO THE FUND IN THE AMOUNT OF \$12,000,000.**

**Article – State Finance and Procurement**

6–226.

(a) (2) (i) Notwithstanding any other provision of law, and unless inconsistent with a federal law, grant agreement, or other federal requirement or with the terms of a gift or settlement agreement, net interest on all State money allocated by the State Treasurer under this section to special funds or accounts, and otherwise entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue to the General Fund of the State.

(ii) The provisions of subparagraph (i) of this paragraph do not apply to the following funds:

84. the Economic Development Marketing Fund; [and]

85. the Military Personnel and Veteran–Owned Small Business No–Interest Loan Fund; AND

**86. THE BALTIMORE REGIONAL NEIGHBORHOOD INITIATIVE PROGRAM FUND.**

SECTION 2. AND BE IT FURTHER ENACTED, That for fiscal year 2018, the Governor shall include in the budget bill an appropriation to the Baltimore Metropolitan Council in the amount of \$250,000 for planning and programmatic efforts that facilitate coordination and collaboration among local jurisdictions and organizations in the Baltimore region to foster economic growth and development.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That on or before September 1, 2016, the Department of Housing and Community Development shall issue a request for proposals for community enhancement projects from community development organizations eligible to apply for funds under the Baltimore Regional Neighborhood Initiative Program as codified in Section 1 of this Act.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

**Enacted under Article II, § 17(b) of the Maryland Constitution, April 8, 2016.**