

# HOUSE BILL 7

C9  
HB 60/23 – ENT

(PRE-FILED)

4r0793  
CF SB 203

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By: **Delegate Stewart**

Requested: October 2, 2023

Introduced and read first time: January 10, 2024

Assigned to: Environment and Transportation

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## 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 2024)**

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 4-3001 through 4-3007 to be under the new subtitle “Subtitle 30.  
12 Housing Innovation Pilot Program”  
13 Annotated Code of Maryland  
14 (2019 Replacement Volume and 2023 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.**

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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) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE FUND  
11 MAY BE USED ONLY TO PROVIDE LOW- OR NO-INTEREST LOANS TO LOCAL HOUSING  
12 AUTHORITIES THROUGH THE HOUSING INNOVATION PILOT PROGRAM IN  
13 ACCORDANCE WITH SUBTITLE 30 OF THIS TITLE.

14 (2) THE FUND MAY BE USED FOR PROJECTS WHERE A COUNTY, IN  
15 CONJUNCTION WITH A LOCAL HOUSING AUTHORITY, ACQUIRES EXISTING PRIVATE  
16 SECTOR HOUSING.

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

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

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

23 SUBTITLE 30. HOUSING INNOVATION PILOT PROGRAM.

24 4-3001.

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

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

1 (C) "HOUSING INNOVATION PROJECT" MEANS A PROJECT TO PROVIDE  
2 MIXED-INCOME, CROSS-SUBSIDIZED HOUSING THAT QUALIFIES UNDER § 4-3003 OF  
3 THIS SUBTITLE.

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

5 (E) "PUBLIC OWNERSHIP" MEANS THAT THE STATE OR A POLITICAL  
6 SUBDIVISION OF THE STATE POSSESSES MAJORITY OWNERSHIP OR CONTROL.

7 4-3002.

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

9 (B) THE PURPOSES OF THE PROGRAM ARE:

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

12 (2) TO INCENTIVIZE HOUSING AUTHORITIES TO INCREASE  
13 OPPORTUNITIES BY PROVIDING STATE MATCHING FUNDS FOR HOUSING  
14 INNOVATION PROJECTS FUNDED THROUGH LOCAL REVOLVING LOAN FUNDS.

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

16 4-3003.

17 A PROJECT QUALIFIES AS A HOUSING INNOVATION PROJECT IF:

18 (1) IT PROVIDES NEW HOUSING IN WHICH:

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

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

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

27 (3) THE PROJECT REMAINS IN PUBLIC OWNERSHIP; AND

1           **(4) THE PROJECT INCLUDES A COMMITMENT TO PREVAILING WAGE**  
2 **REQUIREMENTS.**

3 **4-3004.**

4           **BEFORE DRAWING DOWN ANY PROGRAM FUNDS, A LOCAL HOUSING**  
5 **AUTHORITY MUST:**

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

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

10 **4-3005.**

11           **THE DEPARTMENT SHALL:**

12           **(1) COORDINATE WITH LOCAL HOUSING AUTHORITIES TO ENSURE**  
13 **ACCESS TO OTHER FINANCIAL RESOURCES, INCLUDING SENIOR DEBT PRODUCTS;**  
14 **AND**

15           **(2) DEVELOP NEW RESOURCES IN SUPPORT OF STATEWIDE HOUSING**  
16 **PRODUCTION.**

17 **4-3006.**

18           **(A) A LOCAL HOUSING AUTHORITY SHALL PROVIDE A**  
19 **DOLLAR-FOR-DOLLAR MATCH FOR PROGRAM FUNDS AWARDED TO HOUSING**  
20 **INNOVATION PROJECTS UNDER THIS SUBTITLE.**

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

24 **4-3007.**

25           **IN ADMINISTERING THE PROGRAM, THE DEPARTMENT SHALL PRIORITIZE**  
26 **FUNDING FOR PROJECTS THAT DO NOT USE LOW-INCOME HOUSING TAX CREDIT**  
27 **EQUITY OR TAX-EXEMPT VOLUME CAP.**

28           **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July**  
29 **1, 2024. It shall remain effective for a period of 5 years and, at the end of June 30, 2029,**

1 this Act, with no further action required by the General Assembly, shall be abrogated and  
2 of no further force and effect.