

# SENATE BILL 754

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9lr2696  
CF HB 1266

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By: **Senators Peters, Griffith, King, Rosapepe, and Zucker**

Introduced and read first time: February 4, 2019

Assigned to: Education, Health, and Environmental Affairs and Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 29, 2019

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## 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  
13 notification to certain political subdivisions before an application may be approved;  
14 requiring the Department and the recipient of Program funds to enter into a certain  
15 agreement; authorizing the Department to exercise certain powers necessary to  
16 implement the Program and determine certain terms and conditions of the financial  
17 assistance; requiring the recipient of financial assistance from the Program to  
18 submit a certain quarterly progress report; altering the purpose and use of the  
19 National Capital Strategic Economic Development Fund; requiring the Governor, in  
20 certain fiscal years, to include certain appropriations in the annual operating budget  
21 to the Fund; requiring the Governor, in certain fiscal years, to include certain  
22 appropriations in the annual operating or capital budget bill for the Fund; defining  
23 certain terms; and generally relating to the establishment of the National Capital  
24 Strategic Economic Development Program.

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**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.



1 BY renumbering  
 2 Article – Housing and Community Development  
 3 Section 4–510  
 4 to be Section 6–710  
 5 Annotated Code of Maryland  
 6 (2006 Volume and 2018 Supplement)

7 BY adding to  
 8 Article – Housing and Community Development  
 9 Section 6–701 through 6–709 to be under the new subtitle “Subtitle 7. National  
 10 Capital Strategic Economic Development Program”  
 11 Annotated Code of Maryland  
 12 (2006 Volume and 2018 Supplement)

13 BY repealing and reenacting, with amendments,  
 14 Article – Housing and Community Development  
 15 Section 6–710  
 16 Annotated Code of Maryland  
 17 (2006 Volume and 2018 Supplement)  
 18 (As enacted by Section 1 of this Act)

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

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

24 **Article – Housing and Community Development**

25 **SUBTITLE 7. NATIONAL CAPITAL STRATEGIC ECONOMIC DEVELOPMENT**  
 26 **PROGRAM.**

27 **6–701.**

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

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

32 **(C) “COMMUNITY DEVELOPMENT ORGANIZATION” MEANS AN ENTITY THAT**  
 33 **MEETS THE REQUIREMENTS UNDER § 6–704 OF THIS SUBTITLE.**

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

1           **(2) “FINANCIAL ASSISTANCE” INCLUDES:**

2                   **(I) AN ASSURANCE;**

3                   **(II) A GUARANTEE;**

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

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

8                   **(V) ANY OTHER FORM OF CREDIT ENHANCEMENT.**

9           **(E) “NATIONAL CAPITAL REGION” MEANS ~~THE AREA CONTAINING~~**  
10 **~~MONTGOMERY COUNTY AND PRINCE GEORGE’S COUNTY~~ THE AREAS OF THE STATE**  
11 **LOCATED WITHIN:**

12                   **(1) (I) THE BOUNDARY CREATED BY INTERSTATE 495 IN THE**  
13 **STATE AND THE DISTRICT OF COLUMBIA; AND**

14                   **~~(2)~~ (II) ANY QUALIFIED OPPORTUNITY ZONE DESIGNATED UNDER §**  
15 **1400Z-1 OF THE INTERNAL REVENUE CODE IN MONTGOMERY COUNTY OR PRINCE**  
16 **GEORGE’S COUNTY; OR**

17                   **(2) AN ENTERPRISE ZONE, AS DEFINED UNDER § 5-701 OF THE**  
18 **ECONOMIC DEVELOPMENT ARTICLE, LOCATED IN MONTGOMERY COUNTY OR**  
19 **PRINCE GEORGE’S COUNTY.**

20           **(F) “PROGRAM” MEANS THE NATIONAL CAPITAL STRATEGIC ECONOMIC**  
21 **DEVELOPMENT PROGRAM.**

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

24 **6-702.**

25           **(A) THERE IS A NATIONAL CAPITAL STRATEGIC ECONOMIC DEVELOPMENT**  
26 **PROGRAM.**

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

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

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

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

7 **6-703.**

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

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

12           (2) PROGRAMS TO ACQUIRE OR REHABILITATE VACANT OR BLIGHTED  
13 PROPERTIES;

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

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

18           (5) DEVELOPMENT OF AFFORDABLE HOUSING;

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

21           (7) DEVELOPMENT OR ENHANCEMENT OF COMMUNITY OPEN SPACE  
22 OR PUBLIC INFRASTRUCTURE;

23           (8) WORKFORCE AND EMPLOYMENT DEVELOPMENT PROGRAMS,  
24 WHEN ASSOCIATED WITH OTHER PROJECTS LISTED UNDER THIS SUBSECTION; ~~AND~~

25           (9) CAREER AND TECHNICAL EDUCATION AND APPRENTICESHIP  
26 PROGRAMS, WHEN ASSOCIATED WITH OTHER PROJECTS LISTED UNDER THIS  
27 SUBSECTION; AND

28           (10) STRATEGIC DEMOLITION.

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

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

3 **6-704.**

4 (A) (1) A ~~HOUSING AUTHORITY LOCATED~~ GOVERNMENT AGENCY,  
5 INCLUDING A HOUSING AUTHORITY, WITH JURISDICTION IN THE NATIONAL CAPITAL  
6 REGION, AN ENTITY CONTROLLED DIRECTLY OR INDIRECTLY BY A HOUSING  
7 AUTHORITY THAT OPERATES IN THE NATIONAL CAPITAL REGION, AND, SUBJECT TO  
8 PARAGRAPH (2) OF THIS SUBSECTION, A COMMUNITY DEVELOPMENT  
9 ORGANIZATION ARE ELIGIBLE TO APPLY FOR PROGRAM FUNDS.

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

13 (I) THE PURPOSE OF THE ORGANIZATION IS TO IMPLEMENT A  
14 CLEAR REVITALIZATION STRATEGY IN A NEIGHBORHOOD OR SET OF  
15 NEIGHBORHOODS WITHIN THE NATIONAL CAPITAL REGION ~~OR THE~~  
16 ~~INNER-BELTWAY COMMUNITIES OF MONTGOMERY COUNTY AND PRINCE GEORGE'S~~  
17 ~~COUNTY~~; AND

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

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

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

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

31 **6-705.**

32 (A) (1) A ~~HOUSING AUTHORITY LOCATED~~ GOVERNMENT AGENCY,  
33 INCLUDING A HOUSING AUTHORITY, WITH JURISDICTION IN THE NATIONAL CAPITAL

1 REGION, AN ENTITY CONTROLLED DIRECTLY OR INDIRECTLY BY A HOUSING  
2 AUTHORITY THAT OPERATES IN THE NATIONAL CAPITAL REGION, AND A  
3 COMMUNITY DEVELOPMENT ORGANIZATION MAY APPLY TO THE DEPARTMENT TO  
4 RECEIVE PROGRAM FUNDS FOR COMMUNITY ENHANCEMENT PROJECTS.

5 (2) THE DEPARTMENT SHALL ESTABLISH THE APPLICATION  
6 PROCESS.

7 (3) THE APPLICATION SHALL CONTAIN:

8 (I) THE NEIGHBORHOOD REVITALIZATION PLAN;

9 (II) A DESCRIPTION OF EACH COMMUNITY ENHANCEMENT  
10 PROJECT;

11 (III) ORGANIZATIONAL DOCUMENTS FOR THE COMMUNITY  
12 DEVELOPMENT ORGANIZATION; AND

13 (IV) ANY OTHER INFORMATION THE DEPARTMENT REQUIRES.

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

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

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

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

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

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

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

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

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

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

11           **(4) COMMUNITY ENHANCEMENT PROJECTS THAT INCORPORATE**  
12 **ADDITIONAL STATE AND LOCAL REVITALIZATION AND SMART GROWTH PROGRAMS**  
13 **AND FINANCING TOOLS;**

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

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

20 **6-706.**

21           **(A) THE DEPARTMENT SHALL:**

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

24           **(2) ACCEPT PUBLIC INPUT ON EACH APPLICATION; AND**

25           **(3) CONSIDER THE RECOMMENDATION OF ANY STATE UNIT.**

26           **(B) (1) THE DEPARTMENT MAY NOT APPROVE AN APPLICATION UNTIL**  
27 **THE DEPARTMENT HAS PROVIDED WRITTEN NOTICE AND A REASONABLE**  
28 **OPPORTUNITY TO COMMENT TO THE POLITICAL SUBDIVISION WHERE THE**  
29 **PROPOSED COMMUNITY ENHANCEMENT PROJECT IS LOCATED.**

30           **(2) IF THE APPLICATION AFFECTS A NEIGHBORHOOD ENTIRELY**  
31 **WITHIN A MUNICIPAL CORPORATION, THE DEPARTMENT MUST PROVIDE NOTICE**

1 AND A REASONABLE OPPORTUNITY TO COMMENT TO THE MUNICIPAL CORPORATION  
2 AND NOT THE SURROUNDING COUNTY.

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

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

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

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

11 **6-707.**

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

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

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

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

22 (1) VIOLATES ANY PROVISION OF THE AGREEMENT; OR

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

24 **6-708.**

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

5                   **(2) CHARGE INTEREST.**

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

9 **6-709.**

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

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

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

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

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

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

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

25 **6-710.**

26           **(a) In this section, "Fund" means the National Capital Strategic Economic**  
27 **Development Fund.**

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

29           **(c) The purpose of the Fund is to provide [grants to assist in predevelopment**  
30 **activities for commercial and residential development, including site acquisition, land**

1 assembly, architecture and engineering, and site development for revitalization in  
2 designated areas of the State] **FINANCIAL ASSISTANCE UNDER THE PROGRAM.**

3 (d) The Department shall administer the Fund.

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

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

8 (f) The Fund consists of:

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

10 (2) interest earnings of the Fund; and

11 (3) any other money from any other source accepted for the benefit of the  
12 Fund.

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

17 (ii) Commercial and residential development projects include:

18 1. renovation and rehabilitation of single family homes;

19 2. acquisition and rehabilitation of vacant homes for resale  
20 to new homebuyers;

21 3. improvements to business properties;

22 4. enhancement of community open space or public  
23 infrastructure; and

24 5. workforce and employment development programs.

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

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

1                   1.     money from the federal government, local government, or  
2 any other public or private source;

3                   2.     real property;

4                   3.     in-kind contributions; and

5                   4.     funds expended before the date the grant is awarded.

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

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

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

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

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

15                   (1)    85% for projects in those areas of the State located between Interstate  
16 Highway 495 and the District of Columbia; and

17                   (2)    15% for projects throughout the State.]

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

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

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