

SENATE BILL 637

C8, F2

1lr2493
CF 1lr2533

By: **Senator Hayes**

Introduced and read first time: January 29, 2021

Assigned to: Education, Health, and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **Community Development Administration – Live Near Your School Program –**
3 **Establishment**

4 FOR the purpose of requiring the Community Development Administration in the
5 Department of Housing and Community Development to administer a home buyer
6 assistance program that assists certain individuals with receiving certain
7 low-interest mortgages for the purchase of homes near the individuals' schools;
8 requiring the Administration to coordinate with, and match where appropriate,
9 similar other programs under certain circumstances; requiring the Administration
10 to allow public institutions of higher education to provide certain matching funds;
11 requiring the Administration to facilitate the marketing of a certain home buyer
12 assistance program with certain persons; requiring the Department to report to the
13 General Assembly on a certain home buyer assistance program on or before a certain
14 date each year; requiring the Administration to administer certain community
15 development projects to provide certain individuals with certain financial assistance
16 to buy homes near the individuals' schools under certain circumstances; exempting
17 certain community development projects from certain requirements regarding
18 income; designating certain community development projects as the Live Near Your
19 School program; requiring the Administration to adopt certain regulations; defining
20 certain terms; and generally relating to the Live Near Your School program.

21 BY adding to
22 Article – Housing and Community Development
23 Section 4–215.1 and 4–217(e)
24 Annotated Code of Maryland
25 (2019 Replacement Volume and 2020 Supplement)

26 BY repealing and reenacting, without amendments,
27 Article – Housing and Community Development
28 Section 4–217(a) and (b)
29 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2019 Replacement Volume and 2020 Supplement)

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

Article – Housing and Community Development

4–215.1.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
INDICATED.

(2) “CURRENT STUDENT” MEANS AN INDIVIDUAL WHO:

(I) ATTENDS A PUBLIC INSTITUTION OF HIGHER EDUCATION IN
THE STATE;

(II) IS A DEGREE–SEEKING, FULL–TIME EQUIVALENT STUDENT;
AND

(III) HAS SUCCESSFULLY COMPLETED AT LEAST 60 CREDITS.

(3) “PUBLIC INSTITUTION OF HIGHER EDUCATION” HAS THE
MEANING STATED IN § 10–101 OF THE EDUCATION ARTICLE.

(4) “RECENT GRADUATE” MEANS AN INDIVIDUAL WHO, WITHIN 5
YEARS BEFORE APPLYING FOR ASSISTANCE UNDER THIS SECTION, GRADUATED
FROM A PUBLIC INSTITUTION OF HIGHER EDUCATION IN THE STATE WITH AT LEAST
120 CREDITS.

(B) THE ADMINISTRATION SHALL ADMINISTER A HOME BUYER ASSISTANCE
PROGRAM THAT:

(1) ASSISTS CURRENT STUDENTS AND RECENT GRADUATES TO
RECEIVE LOW–INTEREST MORTGAGE LOANS, WITH DOWN PAYMENT AND CLOSING
COST ASSISTANCE OPTIONS, FOR THE PURCHASE OF HOMES NEAR THE SCHOOL
ATTENDED BY THE STUDENT OR GRADUATE;

(2) COORDINATES WITH, AND MATCHES WHERE APPROPRIATE,
SIMILAR PROGRAMS OFFERED BY PUBLIC INSTITUTIONS OF HIGHER EDUCATION,
PRIVATE EMPLOYERS, AND COUNTY AND MUNICIPAL GOVERNMENTS TO MAXIMIZE
THE TOTAL AMOUNT THAT CURRENT STUDENTS AND RECENT GRADUATES CAN
RECEIVE UNDER THE PROGRAM; AND

1 **(3) AUTHORIZES A PUBLIC INSTITUTION OF HIGHER EDUCATION TO**
2 **PROVIDE MATCHING FUNDS TO A HOME BUYER WHO RECEIVES ASSISTANCE UNDER**
3 **THIS SECTION.**

4 **(C) WITH REFERENCE TO LOANS UNDER THIS PROGRAM, THE**
5 **ADMINISTRATION SHALL:**

6 **(1) ALLOW HOME BUYERS TO UTILIZE THE LOANS FOR THE PURCHASE**
7 **OF NEWLY CONSTRUCTED OR EXISTING HOMES; AND**

8 **(2) REQUIRE A HOME PURCHASED UNDER THE PROGRAM TO BE**
9 **OCCUPIED BY THE HOME BUYER AS A PRINCIPAL RESIDENCE.**

10 **(D) THE ADMINISTRATION SHALL FACILITATE THE MARKETING OF THE**
11 **PROGRAM WITH PUBLIC INSTITUTIONS OF HIGHER EDUCATION, PRIVATE**
12 **EMPLOYERS, COUNTY AND MUNICIPAL GOVERNMENTS, AND, WHERE APPROPRIATE,**
13 **OTHER UNITS OF STATE GOVERNMENT AND NONPROFIT ORGANIZATIONS.**

14 **(E) THE ADMINISTRATION SHALL ADOPT REGULATIONS TO CARRY OUT**
15 **THIS SECTION.**

16 **(F) ON OR BEFORE DECEMBER 31 EACH YEAR, THE DEPARTMENT SHALL**
17 **REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE**
18 **STATE GOVERNMENT ARTICLE, ON THE PROGRAM ESTABLISHED UNDER THIS**
19 **SECTION.**

20 4-217.

21 (a) A project, undertaking, or a part of a project or undertaking, including the
22 real, personal, and mixed property involved, qualifies as a community development project
23 if it is planned, acquired, owned, developed, constructed, reconstructed, rehabilitated,
24 repaired, renovated, or improved to promote sound community development.

25 (b) A community development project shall provide for:

26 (1) new or existing housing:

27 (i) that is or will be occupied in substantial part by families of
28 limited income; or

29 (ii) at least 20% of which is or will be occupied by families of limited
30 income, if the project is financed with bonds, notes, or other evidences of indebtedness
31 issued by the Administration, the income from which being includable in the holder's gross
32 income under the Internal Revenue Code as determined by the Administration at the time
33 of issue;

(2) any improvements, such as streets, roads, sewer lines, and water lines that are needed to support the housing; and

(3) the public or private commercial, educational, cultural, recreational, community, or civic facilities that are needed to support the housing.

(E) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(II) "CURRENT STUDENT" MEANS AN INDIVIDUAL WHO:

1. ATTENDS A PUBLIC INSTITUTION OF HIGHER EDUCATION IN THE STATE;

2. IS A DEGREE-SEEKING, FULL-TIME EQUIVALENT STUDENT; AND

3. HAS SUCCESSFULLY COMPLETED AT LEAST 60 CREDITS.

(III) "PUBLIC INSTITUTION OF HIGHER EDUCATION" HAS THE MEANING STATED IN § 10-101 OF THE EDUCATION ARTICLE.

(IV) "RECENT GRADUATE" MEANS AN INDIVIDUAL WHO, WITHIN 5 YEARS BEFORE APPLYING FOR ASSISTANCE UNDER THIS SECTION, GRADUATED FROM A PUBLIC INSTITUTION OF HIGHER EDUCATION IN THE STATE WITH AT LEAST 120 CREDITS.

(2) THE ADMINISTRATION SHALL ADMINISTER COMMUNITY DEVELOPMENT PROJECTS THAT:

(I) ARE IN SUSTAINABLE COMMUNITIES APPROVED UNDER § 6-305 OF THIS ARTICLE; AND

(II) PROVIDE CURRENT STUDENTS AND RECENT GRADUATES WITH FINANCIAL ASSISTANCE IN THE FORM OF GRANTS TO BUY HOMES NEAR THE SCHOOL OF THE STUDENT OR GRADUATE.

(3) A COMMUNITY DEVELOPMENT PROJECT ADMINISTERED UNDER THIS SUBSECTION IS NOT SUBJECT TO THE PROVISIONS OF SUBSECTION (B)(1) OF THIS SECTION THAT REQUIRE PART OF THE HOUSING TO BE OCCUPIED BY FAMILIES OF LIMITED INCOME.

1 **(4) THE COMMUNITY DEVELOPMENT PROJECTS ADMINISTERED**
2 **UNDER THIS SUBSECTION SHALL BE KNOWN AS THE LIVE NEAR YOUR SCHOOL**
3 **PROGRAM.**

4 **(5) THE ADMINISTRATION SHALL ADOPT REGULATIONS TO**
5 **IMPLEMENT THE LIVE NEAR YOUR SCHOOL PROGRAM ESTABLISHED UNDER THIS**
6 **SUBSECTION.**

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 October 1, 2021.