

SENATE BILL 637

C8, F2

1lr2493
CF HB 943

By: **Senator Hayes**

Introduced and read first time: January 29, 2021

Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 3, 2021

CHAPTER _____

1 AN ACT concerning

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

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

24 BY adding to

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.



Article – Housing and Community Development
Section 4–215.1 and 4–217(e)
Annotated Code of Maryland
(2019 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, without amendments,
Article – Housing and Community Development
Section 4–217(a) and (b)
Annotated Code of Maryland
(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; AND

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

~~(III) HAS SUCCESSFULLY COMPLETED AT LEAST 60 CREDITS IN~~
AN UNDERGRADUATE LEVEL, GRADUATE LEVEL, OR PROFESSIONAL DEGREE
PROGRAM.

(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;~~

(I) 120 CREDITS IN AN UNDERGRADUATE LEVEL PROGRAM; OR

(II) 30 CREDITS IN A GRADUATE LEVEL OR PROFESSIONAL
DEGREE PROGRAM.

1 **(B) THE ADMINISTRATION ~~SHALL~~ MAY ADMINISTER A HOME BUYER**
2 **ASSISTANCE PROGRAM THAT:**

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

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

12 **(3) AUTHORIZES A PUBLIC INSTITUTION OF HIGHER EDUCATION TO**
13 **PROVIDE MATCHING FUNDS TO A HOME BUYER WHO RECEIVES ASSISTANCE UNDER**
14 **THIS SECTION; AND**

15 **(4) UTILIZES AVAILABLE FUNDING SOURCES.**

16 **(C) WITH REFERENCE TO LOANS UNDER THIS PROGRAM, THE**
17 **ADMINISTRATION ~~SHALL~~ MAY:**

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

20 **(2) REQUIRE A HOME PURCHASED UNDER THE PROGRAM TO BE**
21 **OCCUPIED BY THE HOME BUYER AS A PRINCIPAL RESIDENCE; AND**

22 **(3) UTILIZE AVAILABLE FUNDING SOURCES.**

23 **(D) THE ADMINISTRATION ~~SHALL~~ MAY FACILITATE THE MARKETING OF THE**
24 **PROGRAM WITH PUBLIC INSTITUTIONS OF HIGHER EDUCATION, PRIVATE**
25 **EMPLOYERS, COUNTY AND MUNICIPAL GOVERNMENTS, AND, WHERE APPROPRIATE,**
26 **OTHER UNITS OF STATE GOVERNMENT AND NONPROFIT ORGANIZATIONS WITH**
27 **EXISTING FUNDING FOR THE MARKETING OF CURRENT PROGRAMS OF THE**
28 **DEPARTMENT, IF AVAILABLE.**

29 **(E) THE ADMINISTRATION SHALL ADOPT REGULATIONS TO CARRY OUT**
30 **THIS SECTION.**

31 **(F) ON OR BEFORE DECEMBER 31 EACH YEAR, THE DEPARTMENT SHALL**
32 **REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE**

STATE GOVERNMENT ARTICLE, ON THE PROGRAM ESTABLISHED UNDER THIS SECTION.

4-217.

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

(b) A community development project shall provide for:

(1) new or existing housing:

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

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

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

~~3. HAS SUCCESSFULLY COMPLETED AT LEAST 60 CREDITS IN AN UNDERGRADUATE LEVEL, GRADUATE LEVEL, OR PROFESSIONAL DEGREE PROGRAM.~~

(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~~:

1. 120 CREDITS IN AN UNDERGRADUATE LEVEL PROGRAM; OR

2. 30 CREDITS IN A GRADUATE LEVEL OR PROFESSIONAL DEGREE PROGRAM.

(2) THE ADMINISTRATION ~~SHALL~~ MAY 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.

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

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

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2021. It shall remain effective for a period of 3 years and, at the end of September 30, 2024, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.