

# SENATE BILL 637

C8, F2

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CF HB 943

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By: **Senator Hayes**

Introduced and read first time: January 29, 2021

Assigned to: Education, Health, and Environmental Affairs

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 3, 2021

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## 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

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

5 BY repealing and reenacting, without amendments,  
 6 Article – Housing and Community Development  
 7 Section 4–217(a) and (b)  
 8 Annotated Code of Maryland  
 9 (2019 Replacement Volume and 2020 Supplement)

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

12 **Article – Housing and Community Development**

13 **4–215.1.**

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

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

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

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

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

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

26 (4) “RECENT GRADUATE” MEANS AN INDIVIDUAL WHO, WITHIN 5  
 27 YEARS BEFORE APPLYING FOR ASSISTANCE UNDER THIS SECTION, GRADUATED  
 28 FROM A PUBLIC INSTITUTION OF HIGHER EDUCATION IN THE STATE WITH AT LEAST  
 29 ~~120 CREDITS;~~

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

31 (II) 30 CREDITS IN A GRADUATE LEVEL OR PROFESSIONAL  
 32 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

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

3 4-217.

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

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

9 (1) new or existing housing:

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

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

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

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

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

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

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

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

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

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

1 (IV) "RECENT GRADUATE" MEANS AN INDIVIDUAL WHO, WITHIN  
2 5 YEARS BEFORE APPLYING FOR ASSISTANCE UNDER THIS SECTION, GRADUATED  
3 FROM A PUBLIC INSTITUTION OF HIGHER EDUCATION IN THE STATE WITH AT LEAST  
4 ~~120 CREDITS~~;

5 1. 120 CREDITS IN AN UNDERGRADUATE LEVEL  
6 PROGRAM; OR

7 2. 30 CREDITS IN A GRADUATE LEVEL OR PROFESSIONAL  
8 DEGREE PROGRAM.

9 (2) THE ADMINISTRATION ~~SHALL~~ MAY ADMINISTER COMMUNITY  
10 DEVELOPMENT PROJECTS THAT:

11 (I) ARE IN SUSTAINABLE COMMUNITIES APPROVED UNDER §  
12 ~~6-305~~ OF THIS ARTICLE; AND

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

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

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

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

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
27 October 1, 2021. It shall remain effective for a period of 3 years and, at the end of September  
28 30, 2024, this Act, with no further action required by the General Assembly, shall be  
29 abrogated and of no further force and effect.