

Department of Legislative Services  
Maryland General Assembly  
2021 Session

FISCAL AND POLICY NOTE  
Third Reader

Senate Bill 764

(Senator Washington)(Chair, Joint Committee on Ending  
Homelessness)

Education, Health, and Environmental Affairs

Environment and Transportation

---

Workgroup on Adaptive Reuse of Vacant Commercial Spaces

---

This bill establishes the Workgroup on Adaptive Reuse of Vacant Commercial Spaces. The Department of Housing and Community Development (DHCD) must provide staff for the workgroup. Workgroup members may not receive compensation but are entitled to reimbursement for expenses. By November 30, 2021, the workgroup must report its findings and recommendations to the Governor and the General Assembly. **The bill takes effect June 1, 2021, and terminates June 30, 2022.**

---

Fiscal Summary

**State Effect:** Staffing costs for DHCD and expense reimbursements for workgroup members are assumed to be minimal and absorbable within existing resources. Revenues are not affected.

**Local Effect:** The bill is not anticipated to materially affect local operations or finances.

**Small Business Effect:** None.

---

Analysis

**Bill Summary:** The workgroup must:

- study the feasibility and limitations of converting vacant or underutilized commercial spaces into residential or mixed-use residential and commercial spaces in order to increase the availability of affordable housing stock in the State;

- identify the sources of State funds available to developers interested in developing affordable housing by converting existing commercial spaces into specified residential or mixed-use spaces, including any conditions on the receipt and use of these funds;
- identify and study any programs developed by other states for the purpose of converting vacant commercial spaces into affordable housing; and
- make recommendations regarding legislation necessary to facilitate the conversion of vacant or underutilized commercial spaces into residential or mixed-use residential and commercial spaces.

**Current Law/Background:**

*Joint Committee on Ending Homelessness*

Chapter 427 of 2014 established the Joint Committee on Ending Homelessness to ensure that public resources, programs, and policies are coordinated and effective in preventing, mitigating the effects of, and ending homelessness in Maryland. The committee must:

- study issues relating to homelessness, including housing, income, health care, education, government supports, and veterans experiencing homelessness;
- consult with governmental agencies, community-based organizations, and other stakeholders to identify State policies, programs, and actions that should or could prevent, mitigate the effects of, and end homelessness in Maryland;
- review and make recommendations to align State statutes, regulations, programs, services, and budgetary priorities with State policies and actions that should or could prevent, mitigate the effects of, and end homelessness in Maryland;
- search for any intradepartmental or interdepartmental gaps, inconsistencies, and inefficiencies in the implementation or attainment of State policies, programs, and actions that should or could prevent, mitigate the effects of, and end homelessness in Maryland; and
- identify new laws, regulations, programs, services, and budgetary priorities that are needed.

The committee must submit a report to the General Assembly by December 1 of each year that includes a description of the committee’s work and any recommendations. DLS provides staff to the committee. In the committee’s 2020 interim report, the recommendations included the creation of a workgroup to study policies and best practices to promote the adaptive reuse of large vacant commercial spaces. The bill is the product of this recommendation.

## *Housing and Community Revitalization Programs*

Among other responsibilities, DHCD provides financing for the development and maintenance of affordable housing in Maryland. Financing is available for the creation of new residential properties and the maintenance of existing residential properties, in addition to making properties more accessible to those requiring financial assistance. DHCD also provides funding for community revitalization projects. DHCD programs that provide assistance to homebuyers and facilitate community revitalization include:

- Strategic Demolition Fund;
- Neighborhood Business Development Program;
- Baltimore Regional Neighborhoods Initiative;
- National Capital Strategic Economic Development Program;
- Community Development Block Grant Program;
- Seed Community Development Anchor Institution Fund;
- Special Loan Programs;
- Homeownership Programs; and
- Housing and Building Energy Programs.

---

### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** HB 877 (Delegate Valentino-Smith)(Chair, Joint Committee on Ending Homelessness) - Environment and Transportation.

**Information Source(s):** Department of Housing and Community Development;  
Department of Legislative Services

**Fiscal Note History:** First Reader - February 12, 2021  
rh/mcr Third Reader - March 20, 2021

---

Analysis by: Thomas S. Elder

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510