



## SUSTAINABLE COMMUNITIES ROUND 1

Application Update

October 12, 2011

The following is an update on the application process for Maryland Sustainable Community designation.

The Sustainable Communities application (PDF) was posted on DHCD's web site in mid-June. The on-line version of the application was available for final submission of applications in mid-August. The first round of Sustainable Community applications were due September 1, 2011. DHCD held five application workshops for local governments in July and August 2011 as follows:

- July 21, Laurel
- July 27, Hagerstown
- August 2, Cambridge
- August 8, Crownsville (two sessions)

More than 100 local government representatives attended the workshops. Five applications were received in the first round for the following jurisdictions:

- City of Aberdeen, Harford County
- City of Cumberland, Allegany County
- City of Hyattsville, Prince George's County
- City of Laurel, Prince George's County
- City of Westminster, Carroll County

Applications will be reviewed by an interagency team led by DHCD. The Smart Growth Subcabinet was debriefed on the application schedule and review process at their September 21 meeting.

Recommendations will be presented to the Smart Growth Subcabinet for approval at their October 19 meeting. Decisions can be announced publicly in conjunction with the results of the Community Legacy application round in November.

Applications are currently being accepted for the second round of Sustainable Community applications. The round two application workshops were held on September 30 and October 6. Round two applications are due January 6, 2012.

**Background:** Per the Sustainable Communities Act of 2010, all Community Legacy Areas, Designated Neighborhoods, TOD Zones and BRAC Zones became Sustainable Communities effective June 1, 2010. Former Designated Neighborhoods and Community Legacy areas will sunset unless local governments apply for and receive continued designation. All Designated Neighborhoods and Community Legacy areas designated prior to January 1, 2008 will expire on June 1, 2012. Community Legacy areas designated after January 1, 2008 will expire on June 1, 2013.

The purpose of the Sustainable Communities application is to apply for designation, re-designation or refinement of Sustainable Community areas and to submit a Sustainable Community Action Plan or local revitalization investment strategy. That investment strategy may include a summary of local initiatives or projects for revitalization of Sustainable Community areas.

Location within a designated Sustainable Community is a threshold requirement for the Community Legacy and Neighborhood BusinessWorks programs. The following are additional program incentives or benefits for projects located in a Sustainable Community:

**Community Legacy Program:** Community Legacy provides local governments and community development organizations with funding for essential projects aimed at strengthening communities through activities such as business retention and attraction, encouraging homeownership and commercial revitalization.

**Neighborhood BusinessWorks Program:** Loan program provides gap financing, i.e. subordinate financing, to new or expanding small businesses and nonprofit organizations in Sustainable Communities throughout the State.

**MDOT Sidewalk Retrofit Program:** This program helps finance the construction and replacement of sidewalks along state highways. The program covers 50 percent of the cost for approved projects. For projects located in a Sustainable Community, the program covers 100 percent of the cost.

**DBED Job Creation Tax Credit:** Enhanced incentives are provided in Sustainable Communities. The maximum tax credit rises from \$1,000 to \$1500 per employee. The threshold to qualify drops from 60 to 25 jobs created.

**Sustainable Communities Tax Credit:** (formerly the Maryland Heritage Structure Rehabilitation Tax Credit). Expands the credit (10% commercial credit) to include qualified rehabilitated (non-historic) structures in Sustainable Communities beginning in fiscal 2012. Non-historic structures will be eligible for 10% of the appropriated amount in a fiscal year.

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