

HB 475 – THE SUSTAINABLE COMMUNITIES ACT OF 2010

Highlights of the bill include:

Sustainable Communities Tax Credit Program:

- Maintains the existing historic commercial credit and residential credit in their current form (20% credit) and grants an additional 5% credit for historic buildings that are also certified as LEED Gold;
- Expands the credit (10% commercial credit) to include qualified rehabilitated (non-historic) structures in DHCD and Baltimore City Main Street Maryland communities beginning in fiscal year 2011 and newly designated Sustainable Communities beginning in fiscal year 2012;
- \$10 million is available in fiscal year 2011 for the Tax Credit Program and non-historic structures will be eligible for 10% of the appropriated amount in a fiscal year;
- Extends the Sustainable Communities Tax Credit Program through July of 2014.

Sustainable Community Designation:

- Combines two geographically-based revitalization designations, CL Areas and Designated Neighborhoods (DN), into a single “Sustainable Communities” designation which will be made by the SGSC after a recommendation from DHCD;
- Encourages public and private grants and loans for nonprofit organizations, local governments, and small businesses to work together for greater impact in one shared revitalization area;
- Current CL Areas and DNs will automatically be considered Sustainable Communities for 2 to 3 years (depending on age of the CL Plan) after June 1, 2010;
- Prior to the expiration of the transition period, sponsors will need to submit an updated plan and application to be re-designated to a Sustainable Community;
- Sponsors are encouraged to use existing CL plans as the basis for their Sustainable Community plans which will need to be updated every 5 years.

Transportation Focus:

- Requires the Maryland Department of Transportation to consider Sustainable Communities as it annually considers the Consolidated Transportation Program.

Smart Growth Subcabinet Enhancements:

- Expands the charge of the SGSC to focus on Sustainable Communities;
- Clarifies that designations of Transit-Oriented Developments and BRAC Zones are made by the Secretaries of MDOT and DBED, respectively, after a recommendation by the SGSC;
- Expansion of the SGSC membership to include the Department of Health and Mental Hygiene, the Department of Labor, Licensing and Regulation and the Maryland Energy Administration.

The Sustainable Communities Act of 2010 strengthens reinvestment and revitalization in Maryland’s older communities by enhancing an existing rehabilitation tax credit and extending the life of the credit through 2014, simplifying the framework for designated revitalization target areas in the Community Legacy (CL) and Neighborhood BusinessWorks (NBW) program by creating “Sustainable Communities”, establishing a new transportation focus on older communities, and enhancing the role of the Smart Growth Subcabinet (SGSC) in the revitalization of communities.