

Title 05 DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Subtitle 20 REVITALIZATION PROGRAMS

05.20.05 Business Façade Improvement Program

Authority: Housing and Community Development Article, §§2-102(a)(7) and 6-1103, Annotated Code of Maryland

Notice of Proposed Action

[24-194-P]

The Secretary of Housing and Community Development proposes to amend Regulations .02—.04 under **COMAR 05.20.05 Business Façade Improvement Program**.

Statement of Purpose

The purpose of this action is to expand eligible recipients to include community development organizations under the Business Façade Improvement Program.

Estimate of Economic Impact

I. Summary of Economic Impact. The purpose of this proposed action is to describe policies and procedures for administering the Business Façade Improvement Program under House Bill 510 (Chapter 158) in the 2024 Maryland General Assembly session. The purpose of the program is to assist qualified businesses with improving the outside appearance of buildings and facilities. House Bill 510 expanded eligible applicants under the program to include community development organizations (CDO's) that serve at least one designated Sustainable. Community. This is consistent with the way the Department financed many façade improvements. Each local government or community development organization that receives Program funds must then distribute grants to qualified businesses that apply for a grant. Both DHCD, the local governments and community development organizations that receive program funds must establish an application process and award criteria, as appropriate. Beginning in fiscal 2025, the Governor is mandated to include an appropriation of \$5,000,000 in the annual budget bill to the program. A full-time staff (grade 17, step 11 project manager is required beginning in fiscal 2025, concurrent with the mandated program funding under HB 703 (2023).

II. Types of Economic Impact.

Impacted Entity	Revenue (R+/R-) Expenditure (E+/E-)	Magnitude
A. On issuing agency:	NONE	
B. On other State agencies:	NONE	
C. On local governments:		
Local Governments	(R+)	Indeterminable
	Benefit (+) Cost (-)	Magnitude
D. On regulated industries or trade groups:	NONE	
E. On other industries or trade groups:		
Nonprofit Community Development Organizations	(+)	Indeterminable
F. Direct and indirect effects on public:		
Public	(+)	Indeterminable

III. Assumptions. (Identified by Impact Letter and Number from Section II.)

C. Local governments may benefit from increased revenue associated with improvements to business facades and facilities funded through community development organizations. However, the magnitude of the benefit cannot be determined.

E. Nonprofit community development organizations may benefit from additional funding to support business façade improvements, and an improved local business climate. The magnitude of the benefit cannot be determined.

F. The public will benefit from improved physical appearance of business facades and facilities, as well as increased economic activity and local revenue associated with improvements to business facades and facilities. The magnitude of this benefit cannot be determined.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has an impact on individuals with disabilities as follows:

Improvements to business façades and facilities that improve accessibility, such as improvements to doorways and ramps, are eligible expenses under the program. As a result, the program may have a positive impact on persons with disabilities.

Opportunity for Public Comment

Comments may be sent to John Papagni, Program Officer of the Division of Neighborhood Revitalization, Department of Housing and Community Development, 7800 Harkins Road, Lanham, Maryland 20706, or call 301-429-7670 , or email to john.papagni@maryland.gov. Comments will be accepted through January 13, 2025. A public hearing has not been scheduled.

.02 Definitions.

A. In this chapter, the following terms have the meanings indicated.

B. Terms Defined.

(1)—(3) (text unchanged)

(4) "*Community development organization*" means an organization that meets the requirements of Housing and Community Development Article, §6-203, Annotated Code of Maryland.

[(4)] (5)— [(5)] (6) (text unchanged)

[(6)] (7) "Grantee" means a political subdivision *or community development organization* that receives funds under the Program.

[(7)] (8)— [(13)] (14) (text unchanged)

.03 Eligible Applicants and Uses.

A. A grantee shall meet the following minimum requirements:

(1) Be a political subdivision *or a community development organization*;

(2)—(3) (text unchanged)

(4) [Have] *Serve* at least one sustainable community; and

(5) (text unchanged)

B. (text unchanged)

.04 Applications.

A. (text unchanged)

B. An application submitted to the Department shall:

(1) (text unchanged)

(2) Be submitted by [a political subdivision] *an eligible applicant*;

(3) Identify the sustainable communities within its jurisdiction *or service area*;

(4)—(12) (text unchanged)

C.— D. (text unchanged)

JACOB DAY
Secretary Housing and Community Development