



# Sustainable Communities

## Partnering to Revitalize Maryland Communities



The Sustainable Communities program encourages cross-governmental collaboration by providing designated Sustainable Communities with access to an interagency revitalization toolbox of financing programs and tax credit incentives. The Maryland Department of Housing and Community Development and its partners support the development and prosperity of Sustainable Communities by providing the following benefits.

### Financing Programs - Dept. of Housing and Community Development

**Community Legacy Program:** This program provides local governments and community development organizations in Sustainable Communities with funding for projects aimed at strengthening communities through activities such as business retention and attraction, encouraging homeownership, and commercial revitalization. Some examples of eligible projects include mixed-use development consisting of residential, commercial and/or open space; streetscape improvements; and façade improvement programs.

**Strategic Demolition Fund:** This program provides grants and loans to local governments and community development organizations in Sustainable Communities for predevelopment activities including demolition and land assembly for housing and revitalization projects. The Fund catalyzes public and private investment in the reuse of vacant and underutilized sites. Awards will focus on those smart growth projects that will have a high economic and revitalization impact in their existing communities.

**Neighborhood BusinessWorks:** This loan program provides gap financing (i.e., subordinate financing) to new or expanding small businesses and nonprofit organizations located in Sustainable Communities and Priority Funding Areas. Projects must include first floor business or retail space that generates street-level activity in mixed-use projects and improve either a vacant or underutilized building or site.

**Operating Assistance Grants:** These grants support operating and technical assistance costs associated with local housing and community and economic revitalization projects that serve designated Sustainable Community areas. Eligible Applicants include nonprofit organizations, local governments, local development agencies and local development corporations involved in community and economic revitalization activities.

**National Capital Strategic Economic Development Fund:** The National Capital Strategic Economic Development Fund (NED) seeks to improve the economic viability of “grey field development,” which often faces more barriers than sprawling “green field development.” Funds from NED should primarily support commercial and residential development projects. Most funds are allocated to Sustainable Communities between the District of Columbia and Interstate 495.

**Seed Community Development Anchor Institution Program:** The Seed Community Development Anchor Institution Fund provides competitive grants and loans to anchor institutions for community development projects in blighted areas of the state. Blighted areas are areas in which the majority of buildings have declined in productivity by reason of obsolescence, depreciation, or other causes to an extent that they no longer justify fundamental repairs and adequate maintenance. Eligible applicants are anchor institutions, defined as an institution of higher education or a hospital.

**Baltimore Regional Neighborhood Initiative (BRNI):** BRNI is an additional place-based designation that inner beltway Sustainable Communities within and surrounding Baltimore City can leverage to access even greater revitalization investments. The initiative uses strategic investment in local housing and business to create healthy communities with a growing tax base and enhanced quality of life. Like Sustainable Communities, applicants must submit a revitalization plan to become eligible for funding.

**Main Street Maryland Program:** This program strives to strengthen the economic potential of Maryland’s traditional main streets and neighborhoods. The designation gives access to technical assistance, training, and other services. Benefits include planning assistance for future development, architectural design and historic preservation assistance, and specialized training on topics specific to commercial revitalization. Designated Main Streets must be within a Sustainable Community.



The Wharf in Leonardtown



Berlin Main Street



Brentwood Park



The Lustine Center in Hyattsville



Carroll Creek Park in Frederick



Annapolis Main Street



The Greenbelt Theater



Miller's Court mixed-use rehabilitation in Baltimore



Snow Hill Historic District



Hagerstown Bicycle Parking



Public Art in Cambridge



The Armory in Bel Air

## Financing Programs - Dept. of Transportation

**Kim Lamphier Bikeways Network Program:** This program supports projects that maximize bicycle access and fill missing links in the state's bike system. Additional points are awarded to projects located in or connecting to a Sustainable Communities area.

**State Highway Administration (SHA) Programs:** SHA has two competitive programs for which projects within Sustainable Communities are preferred. Its Transportation Alternatives Program is a reimbursable federal aid funding program for transportation-related community projects that strengthen the intermodal transportation system, and the Safe Routes to School program funds projects that enable and encourage children to safely walk, roll, or bike to school

**Sidewalk Retrofit Program:** This program helps finance the construction and replacement of sidewalks along state highways. Eligible projects do not require any funding from the local jurisdiction, and projects within Sustainable Communities are given preference.

## Financing Programs - Dept. of Environment

**Water Quality Financing Administration Programs:** Several of MDE's competitive funding programs give preference to projects within Sustainable Communities, including the Water Quality Revolving Loan Fund, the Bay Restoration Fund, and Overflow and Stormwater Grants (OSG). These programs provide below-market interest rate loans, loan-forgiveness, and grants to finance construction of publicly-owned wastewater treatment works, implementation of non-point source/estuary capital improvements, and/or implementation of U.S. EPA defined "green" projects.

## Tax Credit Programs and Incentives

**Low Income Housing Tax Credit (LIHTC):** The Department of Housing and Community Development administers this credit that supports the development of multi-family affordable housing. LIHTC applications for projects located in Sustainable Communities receive an additional twelve points in the application's "Community Context" category. The 12 points that LIHTC applications can receive through Sustainable Communities is additional to the 8 points applications can receive for Transit Oriented Development (TOD) projects.

**Maryland Economic Development Corporation/Dept. of Planning - Enhanced Local Tax Increment Financing (TIF) Authority:** This program enables Sustainable Communities to issue bonds to finance public improvements and expands the permitted use of tax increment financing beyond traditional public infrastructure. The set of eligible uses of tax increment financing is broadened in Sustainable Communities to include historic preservation or rehabilitation; environmental remediation; demolition and site preparation; parking lots, facilities or structures of any type, public or private; highways; schools; and affordable or mixed-income housing. Local governments with Sustainable Communities may also pledge alternative local tax revenues generated within or attributed to the tax increment financing district to its associated special fund.

**Job Creation Tax Credit:** Administered by the Department of Commerce, this program provides an income tax credit to eligible businesses that locate or expand in Maryland. For a Sustainable Community, the maximum tax credit rises from \$3,000 to \$5,000 per new job, and the threshold to qualify drops from 60 to 25 jobs created.

## Other Incentives

**Sustainable Maryland Certified:** A program administered by the University of Maryland Environmental Finance Center that supports sustainability efforts in Maryland municipalities. With the Sustainable Community designation, a municipality can receive 20 points towards the 150 points needed for certification.