

Governor's Commission on Housing Policy

Community Revitalization Subcommittee Submission for 3/2/04 Full Commission Meeting

- The Subcommittee met on February 3, 2004 and focused on the development of recommendations. In an effort to facilitate the discussion, three working groups were convened:
 1. Financing Innovations and Strategies
 2. Policy and Program Innovations and Strategies
 3. Interagency Coordination

- Each working group explored relevant issues, developed recommendations, and reported out to the full subcommittee.
 1. Financing Innovations and Strategies – (Held additional meeting on 2/23/04)
 - a. Reach consensus on broad tools first, then explore details and nuances of implementation

 - b. Categorize approaches into one of the three areas
 - i. Tweaking existing programs
 - ii. Enhancing existing products/programs with new features
 - iii. Creating completely new products/programs

 - c. Goal is to Identify and recommend additional financial tools that grow to support community revitalization efforts including commercial and mixed use projects
 - Projects that produce a return (small businesses, housing- affordable and market rate)
 - Projects that do not produce a return (façade improvements, programming, operating)

 - Strategy to Accomplish Goal
 - Develop criteria for communities where tools will be used
 - Understand benefits of various Federal and State designated zones (Enterprise Zones, Empowerment Zones, HUB zones, Designated Neighborhoods, Arts and Entertainment Districts, other)

 - Tools Reported Out For Further Consideration
 - Creating – More partnerships with private sector through development of an Equity Fund
 - Belden Daniels, Economic Innovation International, presented information regarding the development of a Maryland Equity Fund to finance affordable housing and community development activities.
 - Enhancing – Use of taxable bond financing community development efforts

- Tools For Further Consideration
 1. Tax Increment Financing
 2. Securitized Portfolio
 3. New Market Tax Credits
 4. Bank CDC – SunTrust, Bank of America
 5. Land Banking Strategy
 6. Real Estate Investment Trusts - MuniMae
 7. Priority Development Fund – MassHousing
 8. State packaging and pooling of projects for investors
 9. Guaranteed Return Product – (Higher LTV, Absorbs risk)
 10. Equity Funds – 2/25 meeting
 - Next Steps
 - Working Group Meeting - March 15 at 2:30 PM at Associated Catholic Charities, Baltimore, MD
 - Joint Working Group Meeting with Affordable Housing – Week of March 29, 2004
- 2. Policy and Program Innovations and Strategies
 - Modify/fortify existing DHCD resources and programs including CATALYST, NPP, CL and Circuit Rider
 - Identify Best Practices, formalize into a database, and use CATALYST to create additional partnerships. This database will strengthen Operational and Leadership Capacities of organizations/local governments which are not utilizing/optimizing DHCD resources
- 3. Interagency Coordination
 - Coordinate community revitalization efforts with State agencies AND Federal agencies
 - i. Explore the creation of Statewide Review Group with representative from each agency for projects that have cross-cutting aspects
 - ii. Develop a universal application for funding community development efforts in any state department (and potentially within other organizations).

The full subcommittee considered the recommendations from working groups. Agreement was reached to advance select recommendations to the full Commission for action where appropriate. It was acknowledged that all recommendations would require further development at the subcommittee and working group levels.