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PRESS RELEASE

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General Assembly Approves Sustainable Communities Act Of 2010

The Governor Announced passage of \$10 million for tax credit, which will help foster jobs, growth in Main Street business districts, transit-oriented development and BRAC zones, and in Sustainable Communities.

BALTIMORE (April 12, 2010) - The General Assembly today passed the [Sustainable Communities Act of 2010](#). The legislation, a major piece of Governor O'Malley's Smart, Green and Growing Initiative, provides \$10 million for the Sustainable Communities Tax Credit. It replaces the former Maryland Heritage Structure Rehabilitation Tax Credit. Its primary objective is to support existing communities as desirable places to live and do business and to reduce outward pressure for sprawl development.

Another important Smart, Green and Growing bill passed this session is the creation of the Maryland Sustainable Growth Commission. It expands the membership and extends the Task Force on the Future for Growth and Development, which was due to expire at the end of this year.

"Today the General Assembly has made the future of growth, development and prosperity in Maryland significantly more desirable by passing the Sustainable Communities Act of 2010," Governor O'Malley said. "The most sustainable community is an existing community - one that has already made farsighted investments in housing, transportation, schools and infrastructure. This important new law provides the tools we need to target and to spur reinvestment in these valuable communities."

"The [Sustainable Communities] Act is the epicenter of the governor's Smart, Green and Growing initiative. Streamlining the State's Smart Growth programs, strategically targeting those resources and making it easier for agencies to work together toward strengthening places where Marylanders live and work is the spirit and the letter of this law," said Richard E. Hall, AICP, secretary of the [Maryland Department of Planning](#). "It inspires new forward-thinking for sustainable growth and development in Maryland."

The Governor had urged continuation of the tax credit, whose \$347 million in state investment during the past 14 years had leveraged more than \$1.5 billion in rehabilitation spending by property owners and developers. Coupled with wages, both in construction and new jobs, and State and local revenues generated, that equated to more than \$8.50 in economic output for every \$1 invested by State government. A report last year by the non-profit Abell Foundation concluded that commercial projects over the life of the program have employed roughly 15,120 people, earning \$673.1 million in 2009 dollars. The state's tax credit investment in labor-intensive building renovation generated 1,850 more jobs than would have been created had the same funds been used for new construction, the foundation reported.

"Rehabilitating historic sites is a proven job generator. This initiative by the O'Malley-Brown Administration, together with the Administration's Job Creation & Recovery Tax Credit, will create and sustain jobs - especially construction jobs - in Maryland," said Secretary Alexander M. Sanchez of the Maryland Department of Labor, Licensing and Regulation.

The O'Malley administration's bill joined the efforts of the departments of Planning; Transportation; Environment; Business and Economic Development; Labor, Licensing and Regulation, and Housing and Community Development. The program is one of the first in the country to align with the federal strategy on Sustainable Communities that seeks to better coordinate public strategies and investment in transportation, housing and the environment. The Obama Administration's Fiscal Year 2010 Budget includes \$150 million for grants to communities to promote more integrated regional planning and sustainability projects. Maryland's new tax credit program is also one of the first in the nation to link LEED high-performance green building standards with historic preservation.

"Keeping Maryland's existing communities vibrant and economically healthy makes them attractive places to live and helps to avert poorly planned development," said Maryland Department of the Environment Secretary Shari T. Wilson. "Sustainable communities protect our air and our water, including the Chesapeake Bay, and support an environmentally healthy Maryland."

The new credit expands the existing program beyond historic building renovations to broader areas of revitalization, including properties in Main Street business districts and zones targeted for growth from Transit-Oriented Development (TOD) and the Base Realignment and Closure Act (BRAC).

"Two top transportation priorities for Maryland include furthering development around our established transit centers and supporting BRAC," said State Transportation Secretary Beverley Swaim-Staley. "This legislation will help the state deliver on these priorities. We look forward to working with our sister agencies and local government as we move forward."

The new program will also create a common geography for targeting revitalization resources. It will combine and streamline several existing revitalization strategies, including the Community Legacy and Neighborhood Business Development programs. They will be redesignated as Sustainable Communities and approved by the Governor's Smart Growth Subcabinet.

"By connecting neighborhood revitalization programs, housing and transportation investments, the Sustainable Communities Tax Credit will stimulate private investment, economic development and additional growth in Maryland's cities and towns," said Raymond A. Skinner, secretary of the Maryland Department of Housing and Community Development. "This legislation will help strengthen our communities and support Governor O'Malley's Smart, Green and Growing initiative."

In a new initiative to spur growth in the designated areas, non-historic commercial rehabilitations can receive up to 10 percent of the total tax credit allocation. Individually, the credit for non-historic commercial projects is 10 percent of rehabilitation costs and 20 percent for projects that meet eligibility for historic rehabilitations. The tax credit, which had been due to expire on June 30, 2010, was extended for four years by the General Assembly.

"The passage of the Sustainable Communities Tax Credit Program will help to achieve our goals of creating jobs and spurring economic development," said Christian Johansson, secretary of the Maryland Department of Business and Economic Development (DBED). "This program takes an important step toward revitalizing our historic communities, creating construction and rehabilitation jobs in our neighborhoods, reinforcing our commitment to a green economy and generating significant economic impact."

The General Assembly also extended and expanded the Task Force on the Future for Growth and Development in Maryland as the Maryland Sustainable Growth Commission. The Commission will be made up of 36 members and will last until 2020. The membership changes increase the geographic reach of the Commission and its representation among sustainability interests.

"The existing Task Force has provided a much-needed venue for diverse groups to address important growth and development issues facing Maryland. As our State continues to grow, these issues will be no less pressing, and a more lasting forum for this critical discussion will be invaluable for policymakers and citizens alike," said Jon M. Laria, chairman of the [Task Force on the Future for Growth and Development](#) in Maryland.

"Sustainable communities are a win for Smart Growth and a win for more effective and efficient programs. This is good for our economy and good for our environment," said Dru-Schmidt-Perkins, executive director of 1,000 Friends of Maryland and a task force member.

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For more on Sustainable Communities and the Maryland Department of Planning, visit Planning.Maryland.gov.