

SENATE BILL 890

C9

5lr1851

By: **Senator M. Washington**

Introduced and read first time: January 28, 2025

Assigned to: Education, Energy, and the Environment

A BILL ENTITLED

1 AN ACT concerning

2 **Housing and Community Development – Division of Just Communities**
3 **– Establishment**

4 FOR the purpose of establishing the Division of Just Communities in the Department of
5 Housing and Community Development; transferring the authority to designate an
6 area as a Just Community from the Governor to the Department; altering the criteria
7 for designating an area as a Just Community; transferring the administration of the
8 Community Health and Safety Works Grant Program to the Division; and generally
9 relating to the Division of Just Communities.

10 BY renumbering

11 Article – Housing and Community Development
12 Section 6–1201 through 6–1203 and the subtitle “Subtitle 12. Just Community
13 Designation”; and 6–1301 through 6–1307 and the subtitle “Subtitle 13.
14 Community Health and Safety Works Grant Program”
15 to be Section 5.5–101 through 5.5–103, respectively, and the subtitle “Subtitle 1. Just
16 Community Designation”; and 5.5–301 through 5.5–307, respectively, and the
17 subtitle “Subtitle 3. Community Health and Safety Works Grant Program”
18 Annotated Code of Maryland
19 (2019 Replacement Volume and 2024 Supplement)

20 BY repealing and reenacting, with amendments,

21 Article – Housing and Community Development
22 Section 2–201
23 Annotated Code of Maryland
24 (2019 Replacement Volume and 2024 Supplement)

25 BY repealing and reenacting, with amendments,

26 Article – Housing and Community Development
27 Section 5.5–101 and 5.5–102 to be under the amended subtitle “Subtitle 1. Division
28 Established” and the new title “Title 5.5. Division of Just Communities”;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



5.5–103 to be under the new subtitle “Subtitle 2. Just Community Designation”; and 5.5–301 Annotated Code of Maryland (2019 Replacement Volume and 2024 Supplement) (As enacted by Section 1 of this Act)

BY adding to
Article – Housing and Community Development
Section 5.5–103
Annotated Code of Maryland
(2019 Replacement Volume and 2024 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 6–1201 through 6–1203 and the subtitle “Subtitle 12. Just Community Designation”; and 6–1301 through 6–1307 and the subtitle “Subtitle 13. Community Health and Safety Works Grant Program” of Article – Housing and Community Development of the Annotated Code of Maryland be renumbered to be Section(s) 5.5–101 through 5.5–103, respectively, and the subtitle “Subtitle 1. Just Community Designation”; and 5.5–301 through 5.5–307, respectively, and the subtitle “Subtitle 3. Community Health and Safety Works Grant Program”.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Housing and Community Development

2–201.

The Department consists of:

- (1) the Division of Credit Assurance;
- (2) the Division of Development Finance;
- (3) the Division of Neighborhood Revitalization;
- (4) **THE DIVISION OF JUST COMMUNITIES;**
- (5) the Community Development Administration;
- [(5)] (6) the Community Legacy Program;
- [(6)] (7) the Housing Finance Review Committee;
- [(7)] (8) the Lead Hazard Advisory Committee;

1 [(8)] (9) the Maryland Housing Fund;

2 [(9)] (10) the Neighborhood Business Development Program;

3 [(10)] (11) the Historic Property Revitalization Director; and

4 [(11)] (12) any other governmental unit that under law is a part of the
5 Department.

6 **TITLE 5.5. DIVISION OF JUST COMMUNITIES.**

7 Subtitle 1. [Just Community Designation] **DIVISION ESTABLISHED.**

8 5.5–101.

9 (a) In this [subtitle] **TITLE** the following words have the meanings indicated.

10 **(B) “DIVISION” MEANS THE DIVISION OF JUST COMMUNITIES.**

11 **(C) “FORECLOSURE HOT SPOT” MEANS A COMMUNITY THAT:**

12 **(1) HAS MORE THAN 10 FORECLOSURE EVENTS IN A GIVEN QUARTER;**

13 **AND**

14 **(2) RECORDS A FORECLOSURE CONCENTRATION RATIO OF GREATER**

15 **THAN 100.**

16 **[(b)] (D) “Just Community”** means the part of a priority funding area that, as
17 determined by the [Governor] **DEPARTMENT**, satisfies the requirements of [§ 6–1203] §
18 **5.5–201** of this [subtitle] **TITLE.**

19 **[(c)] (E) “Priority funding area”** means an area designated as a priority funding
20 area under § 5–7B–02 of the State Finance and Procurement Article.

21 **(F) “UNDERSERVED COMMUNITY” HAS THE MEANING STATED IN § 1–107 OF**
22 **THE ENVIRONMENT ARTICLE.**

23 5.5–102.

24 (a) The General Assembly finds that the State must have Just Communities in
25 order to:

26 (1) affirmatively advance equity, civil rights, racial justice, and equal
27 opportunity in the State;

(2) create opportunities for the improvement of communities that have been historically underserved, with anticipated benefits for the entire State; and

(3) right the wrongs of the past, when the State systematically excluded certain groups from equal participation in the benefits of public resources.

(b) It is the intent of the General Assembly that the **DEPARTMENT UTILIZE THE DIVISION OF JUST COMMUNITIES AND THE** Just Community designation [be used to prioritize State funding to increase racial, economic, and health equity in the State] **TO:**

(1) IDENTIFY AND PRIORITIZE FUNDING TO ADDRESS CHALLENGES IN JUST COMMUNITIES THAT INVOLVE:

(I) THE RENTAL HOUSING MARKET;

(II) MORTGAGE LENDING;

(III) HOUSING VALUATION PRACTICES;

(IV) DISPARITIES WITH HOUSING INFRASTRUCTURE;

(V) FORECLOSURES; AND

(VI) INTERGENERATIONAL WEALTH; AND

(2) COORDINATE WITH OTHER STATE PROGRAMS TO MAXIMIZE THE STATE'S INVESTMENT IN JUST COMMUNITIES.

5.5–103.

(A) THERE IS A DIVISION OF JUST COMMUNITIES IN THE DEPARTMENT.

(B) THE DIVISION SHALL:

(1) IDENTIFY AND SECURE GRANTS AND FUNDING TO ADMINISTER INITIATIVES AND PROGRAMS FOR JUST COMMUNITIES THAT:

(I) REMEDY HISTORICAL DISINVESTMENT AND EXCLUSIONARY ZONING POLICIES;

(II) PROMOTE COMMUNITY HEALTH, PUBLIC SAFETY, AND CAPACITY–BUILDING TRAINING; AND

(III) PROVIDE TECHNICAL ASSISTANCE TO LOCAL PUBLIC AGENCIES, NONPROFIT ORGANIZATIONS, AND NEIGHBORHOOD OR COMMUNITY ORGANIZATIONS THAT AIM TO ACHIEVE ANY OF THE PURPOSES SET FORTH IN ITEMS (I) AND (II) OF THIS ITEM;

(2) ADMINISTER EACH PROGRAM ASSIGNED TO THE DIVISION BY STATUTE, THE GOVERNOR, OR THE SECRETARY; AND

(3) PERFORM ANY FUNCTION THAT THE SECRETARY ASSIGNS TO IT TO CARRY OUT THE PROVISIONS OF THIS TITLE.

(C) IN SECURING FUNDING TO ADMINISTER INITIATIVES AND PROGRAMS FOR JUST COMMUNITIES UNDER SUBSECTION (B) OF THIS SECTION, THE DIVISION SHALL ENSURE COORDINATION WITH ACTIVITIES FUNDED THROUGH:

(1) THE CONTINUING THE CORE PARTNERSHIP FUND UNDER § 4-511 OF THIS ARTICLE; AND

(2) THE COMMUNITY HEALTH AND SAFETY WORKS GRANT PROGRAM UNDER SUBTITLE 3 OF THIS TITLE.

SUBTITLE 2. JUST COMMUNITY DESIGNATION.

[5.5-103.] 5.5-201.

[(a)] The [Governor, on the recommendation of the Secretary,] DEPARTMENT may designate an area as a Just Community if [the Secretary demonstrates that]:

(1) [past and current trends in homeownership, property values, commercial and residential vacancy, and business or housing investment show a need for reinvestment in the area; and] THE AREA INCLUDES SEPARATE AND UNEQUAL NEIGHBORHOODS DISTINGUISHED BY DISPARITIES IN PRIVATE AND PUBLIC RESOURCE ALLOCATION, INCLUDING FOR:

(I) HOME MORTGAGES;

(II) SMALL BUSINESSES; AND

(III) COMMERCIAL REAL ESTATE;

(2) THE FORECLOSURE RATE FOR THE AREA EXCEEDS THE AVERAGE FORECLOSURE RATE FOR THE STATE;

(3) THE AREA INCLUDES A FORECLOSURE HOT SPOT;

1 ~~[(2)]~~ (4) the area has been negatively impacted by a history of
2 **RESIDENTIAL SEGREGATION DUE TO PAST FEDERAL, STATE, OR LOCAL LAWS,**
3 **REGULATIONS, OR POLICIES, INCLUDING:**

4 (i) [forms of legal racial segregation including redlining,
5 exclusionary zoning, or racially restrictive covenants] **REDLINING;**

6 (ii) [the demolition of residential neighborhoods through the use of
7 eminent domain or State or federal funding;

8 (iii) a State imprisonment rate higher than 750 per 100,000 persons]
9 **EXCLUSIONARY ZONING; or**

10 **(III) RACIALLY RESTRICTIVE COVENANTS;**

11 **(5) THE AREA WAS HISTORICALLY CLASSIFIED AS “HAZARDOUS” BY**
12 **THE HOME OWNERS’ LOAN CORPORATION;**

13 **(6) HOUSING AND BUSINESS INVESTMENTS FOR THE AREA ARE NOT**
14 **COMPARABLE TO THE AVERAGE OF OTHER SIMILAR COMMUNITIES IN THE STATE,**
15 **AS INDICATED BY FACTORS SUCH AS:**

16 **(I) SIGNIFICANTLY LOW HOMEOWNERSHIP RATES;**

17 **(II) SIGNIFICANTLY LOW PROPERTY VALUES; OR**

18 **(III) SIGNIFICANTLY HIGH RESIDENTIAL AND COMMERCIAL**
19 **VACANCY RATES;**

20 **(7) THE AREA HAS A HISTORY OF NEIGHBORHOOD DEMOLITION**
21 **THROUGH THE USE OF:**

22 **(I) EMINENT DOMAIN;**

23 **(II) FEDERAL POLICY; OR**

24 **(III) STATE POLICY;**

25 **(8) THE AREA HAD A STATE IMPRISONMENT OR PAROLE RATE OF 6%**
26 **OR MORE OF THE ADULT POPULATION DURING THE MOST RECENT 2-YEAR PERIOD**
27 **FOR WHICH DATA IS AVAILABLE;**

1 [(iv)] **(9) THE AREA IS SUBJECT TO** unequal exposure to
2 environmental and health hazards, including:

- 3 [1. proximity to a federal Superfund site;
4 2. estimated exposure to lead-based paint; and]

5 **(I) ACCUMULATED MIXED CONTAMINANTS;**

6 **(II) AIR POLLUTION;**

7 **(III) LAND POLLUTION; OR**

8 **(IV) WATER POLLUTION; OR**

9 **[3.] (10)** rates of asthma among adults **IN THE AREA** that
10 are higher than the 90th percentile for the State.

11 [(b) To maintain a Just Community designation, every 5 years the Secretary shall
12 make designation recommendations for approval by the Governor in accordance with
13 subsection (a) of this section.

14 (c) At the time Just Communities are designated or renewed, the Governor shall
15 identify State programs under which a Just Community shall receive priority for State
16 funding.

17 (d) The prioritization of State funding for Just Communities under subsection (c)
18 of this section shall not supersede other program requirements specified in State law.]

19 5.5–301.

20 (a) In this subtitle the following words have the meanings indicated.

21 (b) “Eligible project” means:

22 (1) a facility and community improvement project as defined in [§ 6–1304]
23 **§ 5.5–304** of this subtitle;

24 (2) a business district and neighborhood security project as defined in [§
25 6–1305] **§ 5.5–305** of this subtitle; or

26 (3) a community-centered crime and violence intervention and prevention
27 project as defined in [§ 6–1306] **§ 5.5–306** of this subtitle.

28 (c) “Program” means the Community Health and Safety Works Grant Program.

1 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
2 1, 2025.