

SENATE BILL 704

C9

4lr2595
CF HB 873

By: **Senator Hayes**

Introduced and read first time: January 30, 2024

Assigned to: Education, Energy, and the Environment

Committee Report: Favorable

Senate action: Adopted

Read second time: February 26, 2024

CHAPTER _____

1 AN ACT concerning

2 **Appraisal Gap From Historic Redlining Financial Assistance Program –**
3 **Alterations**

4 FOR the purpose of expanding eligibility for financial assistance under the Appraisal Gap
5 From Historic Redlining Financial Assistance Program to include individuals who
6 purchase certain qualified property as an owner–occupant; and generally relating to
7 the Appraisal Gap From Historic Redlining Financial Assistance Program.

8 BY repealing and reenacting, without amendments,
9 Article – Housing and Community Development
10 Section 4–2801(a), (e), (g), and (h)
11 Annotated Code of Maryland
12 (2019 Replacement Volume and 2023 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – Housing and Community Development
15 Section 4–2802 and 4–2804
16 Annotated Code of Maryland
17 (2019 Replacement Volume and 2023 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
19 That the Laws of Maryland read as follows:

20 **Article – Housing and Community Development**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 4–2801.

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

3 (e) “Financial assistance” includes:

4 (1) a grant;

5 (2) a loan;

6 (3) a reduction in the principal obligation of or rate of interest payable on
7 a loan or portion of a loan;

8 (4) a prepayment of interest on a subordinate or superior loan or portion of
9 a loan;

10 (5) an assurance;

11 (6) a guarantee; and

12 (7) any other form of credit enhancement.

13 (g) “Qualified project” means the construction or substantial rehabilitation of a
14 qualified property if the eligible construction expenses do not exceed \$500,000.

15 (h) “Qualified property” means residential real property that is:

16 (1) newly constructed or a formerly vacant structure that has been
17 substantially rehabilitated;

18 (2) located in:

19 (i) a low-income census tract as defined by the U.S. Department of
20 Housing and Urban Development; and

21 (ii) an area designated as a sustainable community; and

22 (3) constructed or rehabilitated with the purpose of being sold to an
23 owner-occupant at an affordable sales price.

24 4–2802.

25 (a) There is an Appraisal Gap From Historic Redlining Financial Assistance
26 Program in the Department.

27 (b) The purpose of the Program is to [make] **HELP CLOSE APPRAISAL GAPS**
28 **THAT OCCUR IN HISTORICALLY REDLINED NEIGHBORHOODS BY MAKING** financial

1 assistance available to:

2 **(1)** affordable housing developers working in low-income census tracts and
3 sustainable communities [in order to help close appraisal gaps that occur in historically
4 redlined neighborhoods]; AND

5 **(2) INDIVIDUALS WHO PURCHASE A QUALIFIED PROPERTY:**

6 **(I) AFTER A QUALIFIED PROJECT IS COMPLETED;**

7 **(II) AT AN AFFORDABLE SALES PRICE AS DETERMINED BY**
8 **REGULATIONS ADOPTED BY THE DEPARTMENT; AND**

9 **(III) AS AN OWNER-OCCUPANT.**

10 4-2804.

11 (a) Subject to § 4-2805 of this subtitle and the regulations of the [department]
12 **DEPARTMENT**, the Department shall accept an application for financial assistance from:

13 **(1)** an individual or business entity that proposes to develop a qualified
14 project; AND

15 **(2) AN INDIVIDUAL THAT PROPOSES TO PURCHASE A QUALIFIED**
16 **PROPERTY.**

17 (b) The application shall be in the form and shall contain any information that
18 the Department requires by regulation.

19 (c) The Department shall approve all applications that qualify for financial
20 assistance under this subtitle in a timely manner.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
22 1, 2024.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.