

January 30, 2024

<u>Testimony on House Bill 241</u> <u>Housing and Community Development - Just Community Designation</u> House Environment and Transportation Committee

Position: Favorable

Maryland Nonprofits is a statewide association of more than 1500 nonprofit organizations and institutions. We are asking you to support House Bill 241, directing the Department of Housing and Community Development implement a program for the designation of "Just Communities".

For decades, Maryland has witnessed deep-seated disinvestment due to policies that fostered racial and economic segregation. This historic disinvestment, manifested through redlining, urban renewal projects, and environmental injustices, has disproportionately impacted marginalized communities.

The Just Community legislation aims to rectify these injustices. Under this initiative, the Governor, advised by the Secretary of DHCD, will designate areas as Just Communities. These areas must demonstrate economic and housing challenges and the impacts of past discriminatory practices like redlining, urban renewal, high incarceration rates, and environmental hazards. Once designated, these communities will receive priority for state funding and other supports for a period of five years.

There is a common misperception that philanthropic resources would naturally flow to high-poverty areas and communities that need it most. Unfortunately, the philanthropic sector itself recreates many of the inequities we see in the broader economy with the vast majority of charitable giving going to wealthy institutions that serve well-off residents, such as private schools and colleges, or very large health systems and other elite institutions.

The nonprofits that have been founded and operate in the communities that will gain the Just Community designation operate on a starvation cycle and are far under-resourced in relation to the need. The Just Communities investment will serve to not only steer governmental resources, but will also create capacity and connectedness among the local nonprofit communities to leverage larger philanthropic and federal sources to truly implement community-based and community accountable solutions.



The intended results of creating Just Communities are profound. This initiative is a step towards righting the wrongs of the past by promoting equity, civil rights, racial justice, and equal opportunity. It seeks to revitalize communities long underserved, benefiting not just these areas but the entire state of Maryland. By focusing state investments proactively, the Just Community Layer will work to dismantle decades of exclusionary practices and ensure a more equitable distribution of public resources.

This legislation is a crucial step towards a more just and equitable Maryland, where all communities have the opportunity to thrive.

We urge you to support House Bill 241.