

# SENATE BILL 418

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By: **Senator Watson**

Introduced and read first time: January 18, 2024

Assigned to: Education, Energy, and the Environment

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## A BILL ENTITLED

1 AN ACT concerning

2 **Seed Community Development Anchor Institution Fund – Alterations**

3 FOR the purpose of expanding the purpose and use of the Seed Community Development  
4 Anchor Institution Fund administered by the Department of Housing and  
5 Community Development to include providing grants and loans to anchor  
6 institutions for a certain purpose in sustainable communities; repealing a  
7 requirement that certain matching funds be from a private source; and generally  
8 relating to the Seed Community Development Anchor Institution Fund.

9 BY repealing and reenacting, with amendments,  
10 Article – Housing and Community Development  
11 Section 4–509  
12 Annotated Code of Maryland  
13 (2019 Replacement Volume and 2023 Supplement)

14 BY repealing and reenacting, without amendments,  
15 Article – Housing and Community Development  
16 Section 6–205  
17 Annotated Code of Maryland  
18 (2019 Replacement Volume and 2023 Supplement)

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

21 **Article – Housing and Community Development**

22 4–509.

23 (a) (1) In this section the following words have the meanings indicated.

24 (2) “Anchor institution” means:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (i) an institution of higher education in the State, **INCLUDING**  
2 **DEPARTMENTS, FOUNDATIONS, AND OTHER ENTITIES OF THE INSTITUTION;** or

3 (ii) a hospital institution in the State, **INCLUDING DEPARTMENTS,**  
4 **FOUNDATIONS, AND OTHER ENTITIES OF THE INSTITUTION,** that:

5 1. has a group of at least five physicians who are organized  
6 as a medical staff for the institution;

7 2. maintains facilities to provide, under the supervision of  
8 the medical staff, diagnostic and treatment services for two or more unrelated individuals;  
9 and

10 3. admits or retains the individuals for overnight care.

11 (3) “Blighted area” means an area in which a majority of buildings have  
12 declined in productivity by reason of obsolescence, depreciation, or other causes to an extent  
13 that they no longer justify fundamental repairs and adequate maintenance.

14 (4) “Fund” means the Seed Community Development Anchor Institution  
15 Fund.

16 **(5) “SUSTAINABLE COMMUNITY” MEANS AN AREA DESIGNATED AS A**  
17 **SUSTAINABLE COMMUNITY UNDER § 6–205 OF THIS ARTICLE.**

18 (b) There is a Seed Community Development Anchor Institution Fund.

19 (c) The purpose of the Fund is to provide grants and loans to anchor institutions  
20 for community development projects in **SUSTAINABLE COMMUNITIES AND** blighted areas  
21 of the State.

22 (d) The Department shall administer the Fund.

23 (e) (1) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of  
24 the State Finance and Procurement Article.

25 (2) The State Treasurer shall hold the Fund separately, and the  
26 Comptroller shall account for the Fund.

27 (f) The Fund consists of:

28 (1) money appropriated in the State budget to the Fund;

29 (2) interest earnings of the Fund; and

1 (3) any other money from any other source accepted for the benefit of the  
2 Fund.

3 (g) (1) The Fund may be used only to provide grants and loans to anchor  
4 institutions for community development projects in **SUSTAINABLE COMMUNITIES AND**  
5 blighted areas of the State.

6 (2) To be eligible for a grant or loan, an anchor institution shall provide  
7 evidence of matching funds [from a private source].

8 (3) The Department shall award grants and loans from the Fund on a  
9 competitive basis.

10 (h) (1) The State Treasurer shall invest the money of the Fund in the same  
11 manner as other State money may be invested.

12 (2) Any interest earnings of the Fund shall be credited to the Fund.

13 (i) Expenditures from the Fund may be made only in accordance with the State  
14 budget.

15 (j) (1) For fiscal year 2019, the Governor shall include in the annual budget  
16 bill or the capital budget bill an appropriation of \$4,000,000 to the Fund.

17 (2) For fiscal year 2020, the Governor shall include in the annual budget  
18 bill or the capital budget bill an appropriation of \$5,000,000 for the Fund.

19 (3) (i) For fiscal year 2021, the Governor shall include in the annual  
20 budget bill or the capital budget bill an appropriation of \$5,000,000 for the Fund.

21 (ii) For fiscal year 2022 and each fiscal year thereafter, the Governor  
22 shall include in the annual budget bill or the capital budget bill an appropriation of  
23 \$10,000,000 for the Fund.

24 6–205.

25 (a) The Smart Growth Subcabinet, on the recommendation of the Secretary, may  
26 designate an area as a sustainable community if the sponsor demonstrates that past and  
27 current trends in homeownership, property values, commercial and residential vacancy,  
28 and business or housing investment show a need for reinvestment in the area and if:

29 (1) entities in the community, such as local governments, employers,  
30 educational institutions, civic organizations, community organizations, or cultural  
31 organizations, support the proposed sustainable community plan and have pledged  
32 resources to develop or implement it;

33 (2) the proposed sustainable community plan addresses the need for

1 reinvestment in the area and will enhance the area, and give individuals of different  
2 incomes a range of housing options, employment opportunities, and other amenities;

3 (3) a community in the proposed area is culturally or historically  
4 significant;

5 (4) the proposed area is near a town center or a transportation center;

6 (5) the proposed sustainable community plan is consistent with and  
7 complements other existing or proposed projects for housing, commercial or community  
8 development, education, historic preservation, neighborhood revitalization, transportation,  
9 or other things significant to the comprehensive enhancement of the community; or

10 (6) there is a demonstrated need for financing assistance for small  
11 businesses, nonprofit organizations, or microenterprises.

12 (b) (1) To maintain a sustainable community designation:

13 (i) every 5 years a sponsor shall file an updated plan and application  
14 with the Department; and

15 (ii) the Secretary shall make designation recommendations for  
16 approval by the Smart Growth Subcabinet under § 6-204 of this subtitle.

17 (2) The Department shall convene an interagency review team from the  
18 agencies of the Smart Growth Subcabinet to:

19 (i) review applications and plans;

20 (ii) provide assistance and guidance to applicants; and

21 (iii) make recommendations to the Secretary.

22 (3) The Smart Growth Subcabinet may redesignate an area as a  
23 sustainable community taking into consideration the factors in subsection (a) of this  
24 section.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
26 1, 2024.