

## Chapter 157

**(Senate Bill 418)**

AN ACT concerning

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

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

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

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

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

**Article – Housing and Community Development**

4–509.

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

(2) “Anchor institution” means:

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

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

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

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

3. admits or retains the individuals for overnight care.

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

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

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

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

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

(d) The Department shall administer the Fund.

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

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

(f) The Fund consists of:

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

(2) interest earnings of the Fund; and

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

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

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

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

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

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

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

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

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

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

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

6–205.

(a) The Smart Growth Subcabinet, on the recommendation of the Secretary, may designate an area as a sustainable community if the sponsor demonstrates that 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 if:

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

(2) the proposed sustainable community plan addresses the need for reinvestment in the area and will enhance the area, and give individuals of different incomes a range of housing options, employment opportunities, and other amenities;

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

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

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

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

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

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

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

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

(i) review applications and plans;

(ii) provide assistance and guidance to applicants; and

(iii) make recommendations to the Secretary.

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

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

**Approved by the Governor, April 25, 2024.**