

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 172 (Chair, Environment and Transportation Committee)(By
Request - Departmental - Housing and Community
Development)

Environment and Transportation

Community Health and Safety Works Grant Program and Fund - Alterations

This departmental bill makes several changes to the Community Health and Safety Works Grant Program and related special fund within the Department of Housing and Community Development (DHCD) by (1) altering the projects eligible for funding under the program; (2) expanding the applicants who are eligible to receive grant funding under the program; (3) repealing the minimum and maximum grant amounts; and (4) expanding the authorized uses of the Community Health and Safety Works Grant Fund to include administrative and operating expenses of DHCD. The bill also makes conforming changes. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: No material effect on State finances, as discussed below.

Local Effect: No material effect on local government finances, as discussed below.

Small Business Effect: DHCD has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Bill Summary: The Community Health and Safety Works Grant Program consists of two specified eligible project types for grant funding to eligible applicants: (1) community or business district improvement projects; and (2) community-centered crime and violence

intervention and prevention projects. An eligible project under the program can also include any other category of project identified by the Secretary of Housing and Community Development as a recognized crime prevention strategy designed to address environmental, health, or safety concerns in commercial, public, or residential areas.

“Community or business district improvement project” means a physical project or community service that (1) makes specified community features safer for community use; (2) supports community-led efforts to improve the appearance of specified community features; (3) eliminates predatory or unhealthy practices, such as illegal dumping, littering, or environmental or traffic hazards; or (4) mitigates the urban heat island effect and other conditions related to climate change. “Community or business district improvement project” includes the purchase or installation of (1) security cameras, license readers, or adequate lighting for outdoor spaces and common areas; (2) specified landscape architectural design features; (3) contracted land enhancement or groundskeeping services (and related equipment) to maintain or clean open spaces; (4) contracted local private security services or similar community-based programs with a specific emphasis on de-escalation and relationship building; and (5) traffic calming measures that increase pedestrian safety.

“Community-centered crime and violence intervention project” means a comprehensive strategy that integrates partnerships and coordinated activities that (1) directly engage individuals who are at risk of becoming involved with or affected by violence and crime using evidence-based interventions and (2) reduce crime and disorder by carefully examining the characteristics of problems in neighborhoods and applying appropriate problem-solving remedies.

Rather than limiting eligible applicants to specific types of eligible projects (as under current law), the bill allows all eligible applicants to apply for grants under the program for any eligible project. An eligible applicant includes a tax-exempt nonprofit organization, a governmental unit of a political subdivision, and an institution of higher education in collaboration with a local neighborhood association.

The bill alters the application requirements for projects that include the purchase or installation of license readers. For those projects, the eligible applicant must include with the application evidence of a partnership with law enforcement and any other relevant public agencies. DHCD may award an eligible applicant who submits a complete application for financial assistance under the program for an eligible project a grant in an amount determined by DHCD.

Current Law/Background: The Community Health and Safety Works Program, which is administered by DHCD, was created as part of former Governor Lawrence J. Hogan Jr.’s Re-Fund the Police Initiative in fiscal 2022. The program provides grants for business

district or facility improvements to Main Street communities or other community development nonprofit organizations. Grants can be used for surveillance tools such as lighting and cameras; pedestrian and vehicle traffic management tools, such as landscaping, fencing, or expanding restaurant space to sidewalks and roadways; and other improvements that renovate and improve public spaces to remove signals of blight. DHCD expanded the eligible uses in fiscal 2023 to include grants for crime and violence intervention and prevention, including social services and direct outreach. The program received \$10.0 million in federal funds from the federal American Rescue Plan Act of 2021 in both fiscal 2022 and 2023 and \$10.0 million in general funds in fiscal 2024.

The program was codified by Chapter 221 of 2024. Generally, the codified program consists of three types of eligible projects, each discussed in more detail below:

- *Facility and Community Improvement Projects:* A facility and community improvement project is a physical project or a community service that (1) makes a facility or a community-managed open space safer for residents and visitors; (2) encourages the authorized uses of a facility or community-managed open space; or (3) supports community-led efforts to improve the appearance of a facility or a community-managed open space. It includes, among other things, the removal of graffiti and the purchase or installation of landscape architectural design features, as specified. Generally, applications for the purchase or installation of cameras and license readers must include specified information, including a monitoring plan, evidence of partnership with law enforcement and other relevant governmental groups, and a list of possible installation sites, in addition to a notification plan. Eligible applicants are nonprofit organizations, and DHCD may award for each completed application a grant between \$25,000 and \$50,000.

Business District and Neighborhood Security Projects: A business district and neighborhood security project is a comprehensive plan for enhancing the visual perception of safety along commercial corridors and adjacent areas. It includes, among other things, specified contracted security services or the purchase and installation of specified equipment. Generally, applications for the purchase or installation of cameras and license readers must include specified information including a monitoring plan, in addition to evidence of partnership with law enforcement and other relevant governmental groups. Eligible applicants are nonprofit organizations, local governments, or institutions of higher education in collaboration with a local neighborhood association. DHCD may award for each completed application a grant between \$75,000 and \$150,000.

- *Community-centered Crime and Violence Intervention and Prevention Projects:* A community-centered crime and violence intervention and prevention project is a comprehensive strategy that integrates partnerships and coordinated activities that

(1) directly engage individuals who are at risk of becoming involved with or affected by violence and crime and (2) reduce crime and disorder, as specified. Eligible applicants are nonprofit organizations, and DHCD may award for each eligible applicant a grant that does not exceed \$250,000.

Chapter 221 also established the Community Health and Safety Works Grant Fund as a special, nonlapsing fund administered by DHCD. The purpose of the fund is to provide financial assistance in the form of grants under the program for eligible projects, and the fund may only be used for that purpose. The fund consists of (1) money appropriated in the State budget to the fund; (2) earnings from the investment of money in the fund; (3) interest earnings of the fund; and (4) any other money from any other source accepted for the benefit of the fund. The fiscal 2025 budget did not include any funding for the program. The fiscal 2026 budget as introduced similarly does not include any funding for the program.

DHCD advises that the bill is intended to align the statutory requirements of the program with current program guidelines. Specifically, DHCD wants the program to support projects that mitigate the harmful environmental, health, and safety impacts of climate change.

State Fiscal Effect: Overall, the bill does not materially affect State finances, as discussed below.

Grant Awards

The fiscal 2025 budget as enacted did not include any funding for the program, and the fiscal 2026 budget as introduced similarly does not include any funding for the program. As a result, the program is largely dormant (except for previous grants that remain active). The fiscal and policy note for Chapter 221 (Senate Bill 430) estimated that \$10.0 million annually beginning in fiscal 2025 was needed to capitalize the fund based on prior funding levels for the program, as discussed above. As funding was previously assumed in the fiscal and policy note for Chapter 221 – and the bill does not require additional funding – it has no material effect on DHCD’s finances.

Administrative Expenses

The bill authorizes DHCD to use the Community Health and Safety Works Grant Fund for administrative and operating expenses in carrying out the program. DHCD advises that the program is currently administered by one full-time employee paid by other special funds who also carries out other responsibilities within the department. As the program is currently unfunded, and the current employee is paid with other funds, this provision has no effect on DHCD’s general or special fund expenditures.

Higher Education

Under the current program, State institutions of higher education are limited to only business district and neighborhood security projects and can receive between \$75,000 and \$150,000 per project application. Under the bill, State institutions of higher education are eligible applicants for any project type and without a limit on grant awards. Should funding become available, higher education revenues and expenditures may increase to the extent public institutions apply for and receive additional grants. However, in the absence of funding, the bill has no material effect on higher education revenues or expenditures.

Local Fiscal Effect: Similar to State institutions of higher education, local governments and community colleges are limited under the current program to only facility and community investment projects (between \$20,000 and \$50,000 per project application) and business district and neighborhood security projects (between \$75,000 and \$150,000 per project application). Under the bill, local governments and community colleges are eligible applicants for any project type and without a limit on grant awards per application. Should funding become available, local revenues and expenditures may increase to the extent local governments and community colleges receive and spend additional grants. However, in the absence of funding, the bill has no material effect on the revenues or expenditures of local governments or community colleges.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 188 (Chair, Budget and Taxation Committee)(By Request - Departmental - Housing and Community Development) - Budget and Taxation.

Information Source(s): Calvert, Howard, and Prince George's counties; Maryland Association of Counties; City of Annapolis; Maryland Municipal League; Baltimore City Community College; University System of Maryland; Morgan State University; St. Mary's College of Maryland; Department of Housing and Community Development; Department of State Police; Maryland Department of Transportation; Department of Legislative Services

Fiscal Note History: First Reader - January 26, 2025
js/mcr

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Community Health and Safety Works Grant Program and Fund –
Alterations

BILL NUMBER: HB 172

PREPARED BY: Andrew Sovinski

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

**WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESS**

OR

**WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESSES**

PART B. ECONOMIC IMPACT ANALYSIS

Small Businesses will benefit from business district improvements resulting in improved public safety and improved business climate. The amount will vary by project and community.