



Testimony SB 117

Education Health and Environmental Affairs

February 5, 2021

Position: FAVORABLE

Dear Chairman Pinsky & Members of the Education, Health and Environmental Affairs:

The Community Development Network of Maryland (CDN) is the voice for Maryland's community development sector and serves nearly 200 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland's urban, suburban and rural communities. CDN envisions a state in which all communities are thriving and where people of all incomes have abundant opportunities for themselves and their families.

SB 117 establishes the Workgroup on Minority Homeownership, Neighborhood Revitalization, and Household Wealth Equity. The bill requires the Workgroup to study and make recommendations regarding certain Minority Homeownership, Neighborhood Revitalization, and Household Wealth Equity and to report its findings and recommendations to the Governor and the General Assembly.

While there have been a number of task force and study groups in the past, the disparity of homeownership between black and whites remains wide and may grow wider in the economic fallout of the COVID-19 pandemic.

A recent Housing Policy Finance Center (Urban Institute) seminar and discussion of the data yielded the following five facts: "1. The current 30-percentage-point gap between black and non-Hispanic White homeownership is larger than it was in 1968, when housing discrimination was legal; 2. If the black homeownership rate were the same today as it was in 2000, America would have 770,000 additional black homeowners; 3. Homeownership is lower for black college graduates than for non-Hispanic White high school dropouts; 4. Black borrowers are less likely to meet the traditional credit standards necessary to qualify for a mortgage; and 5. Seventeen percent of the black-non-Hispanic White homeownership gap can't be explained by identifiable factors."

Maryland is among the wealthiest states in the country. Our state has a unique opportunity to look at this issue and its impact on community health and revitalization, and take action to close the homeownership divide in ways that less affluent states cannot.

We respectfully request a favorable report.

Submitted by Claudia Wilson Randall, Executive Director, Community Development Network of Maryland