

**Testimony
HB 921
Ways and Means Committee
February 28, 2023
Position: FAVORABLE**

Dear Chairman Atterbeary and Members of the Ways and Means Committee:

Habitat Chesapeake builds homeownership affordability in Central Maryland, with nearly 800 homes having been built and settled with affordable mortgages for families within Anne Arundel County, Baltimore City, Baltimore County, and Howard County over our forty years in the region.

Our model for partnership starts with a unique connection with our homebuyers; they aid in building their own homes and otherwise undertake 250 hours of hours in “sweat equity” and a fifty-hour homeowner education curriculum. We also partner with volunteers, and donors and supports in both the public and private sphere in order to build homes and equip first-time homebuyers with tools needed for their success, beginning with a zero-interest mortgage and then the assurance of a monthly mortgage payment that will not exceed 30% of their household income.

In building homes in communities, we also see ourselves as building community: one that connects volunteers with neighbors across neighborhoods, and one that sees great revitalization success in specific place-based communities. Over our 40 years in Central Maryland, we have undertaken rehabilitating vacant properties in neighborhood hundreds of times. One neighborhood, Woodbourne-McCabe in Baltimore City, had three blocks that totaled nearly 70% vacancy. Through working with the City and community partners, we were able to secure the properties and can proudly say that within a decade we had built and settled 21 homes with new homeowners.

We are currently partnering with several neighborhoods in Baltimore where abandoned housing stock exists, but for which the tool of in-rem foreclosure is critical to ensure future neighborhood success. In-rem foreclosure will aid in moving vacant houses into supply for development, ideally by community-minded developers and for homeownership.

The present system for acquisition of vacant homes and lots includes an auction process. In recent years, we have found that our ability to bid for these vacant properties is

hampered by 'bidding wars', driving up the cost for the units. We are outbid. The in-rem foreclosure tool would do two things to help bring properties into immediate, good use: it would shorten the timeline and process for abandoned properties to be sold to qualified developers, and it would put the ability to sell them in the hands of the Baltimore City DHCD. We would like to see more access for community-minded developers to acquire these properties, and build our neighborhood blocks into greater wholeness.

Homeownership is key in rebuilding and stabilizing communities across the state, and is the key factor for establishing a path toward greater financial stability for families. It is the single largest factor in creating financial equity and the potential for intergenerational wealth for our state's families, and the crucial element in wealth creation with an eye toward racial equity. We see funding this bill as a major step toward creating homes for families in Maryland.

We respectfully request a favorable report for HB 921.

Sincerely,



Mike Posko
Chief Executive Officer