



Testimony HB 1090
House Environmental and Transportation Committee
February 27, 2024
Position: FAVORABLE

Dear Chairman Korman and Members of the Environment and Transportation Committee:

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.

HB 1090 - The Revitalizing Neighborhoods Through Homeownership Fund is a special, nonlapsing fund administered by DHCD. The fund consists of (1) money appropriated in the State budget to the fund; (2) federal funding allocated or granted to the fund, including funding from federal housing programs; (3) repayments of principal and payments of interest on loans issued from the fund; (4) interest earnings of the fund; and (5) any other money from any other source accepted for the benefit of the fund. The purpose the fund is to provide financial assistance in the form of loans from the program, and the fund may only be used for that purpose. Any interest earnings of the fund must b

According to a [report](#) by the [McKinsey Institute for Black Economic Mobility](#) released February 1, it could take more than 300 years for the [gap between Black and white](#) homeownership to close. This means that Black Americans will not have the same access to homeownership or lower rental burdens when compared to white Americans. To close it sooner than that, according to McKinsey's calculations, there would have to be a 20-year-long affordable housing plan, costing about \$2 trillion.

Low rates of wealth and homeownership reinforce each other and leave Black households far behind in building generational wealth. While closing the homeownership gap would reduce the racial wealth gap considerably, [the Black homeownership rate](#) has remained largely unchanged for most of the past half-century. Indeed, the gap between Black and White homeownership rates has persisted for more than 100 years.

The future of Maryland depends on our ability to build opportunities for stable affordable **homeownership**. The Revitalizing Neighborhoods Through Homeownership Fund brings needed attention for the need to work on building real opportunities for growing wealth among non-white groups throughout the state.

We urge your favorable report for HB 1090.

Submitted by Claudia Wilson Randall, Executive Director