



HAGERSTOWN
NEIGHBORHOOD
DEVELOPMENT
PARTNERSHIP, INC.

HAGERSTOWN
HOME STORE

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Testimony SB 387 –
Housing – Community Development Fund Program Act Funding
February 12, 2019
Position: FAVORABLE

Dear Chairman Guzzone and the Members of the Senate Budget & Taxation Committee:

We urge this committee to vote a favorable report for SB 387 – Housing – Community Development Fund Program Act - Funding SB 387 creates a permanent funding source for the Community Development Fund which was created during the 2018 legislative session. The funding will be critical operating dollars to use for community development organizations to apply for affordable housing, neighborhood and commercial revitalization, housing and financial counseling, small business development, community services, and more. The funding source is \$5 million from surplus of the Unclaimed Property Fund.

The Hagerstown Neighborhood Development Partnership, Inc. (HNDP) is a 501 (c) (3). The main purpose of the Corporation is to encourage the creation, development, expansion and retention of housing, community and economic development for the benefit of the City of Hagerstown, MD, particularly its Neighborhood Revitalization Strategy Area (“NSRS”; designated per HUD criteria and the downtown area contained within it, in order to promote and encourage housing, quality of life and economic growth in Hagerstown. *Specific attention will be paid to assisting citizens who have been traditionally underserved with respect to the housing market and economic opportunities and to very low, low- or moderate income persons as defined by HUD.* HNDP thru the Hagerstown Home Store (HHS) a HUD certified housing counseling agency provides:

- 1st time home buyer workshops
- One to one client counseling covering
 - pre and post purchase counseling
 - foreclosure counseling
 - credit and budget counseling
 - landlord and tenant rights
 - Fair Housing.

The Hagerstown Home Store offers down payment and closing cost assistance grants to all 1st time home buyers in Washington County, MD. **All programs are free of charge.** One of our main goals is to have more homeowners than renters in the City of Hagerstown. The City of Hagerstown has a disproportionately high rate of renters. According to the Census Bureau’s 2013-2017 American Community 5-Year Survey, 60.5% of households rent instead of own homes. Eighty-one (81%) of our clients, come from very low to moderate income households.

The drop in available funding is causing great stress on small housing counseling agencies. The pool of grant seekers continues to grow each year which means the grant rewards are smaller. In 2019, the Hagerstown Home Store's building was purchased from the City of Hagerstown by a private investor. HHS received in-kind donations for rent when the City of Hagerstown owned the building. HHS now has a rent expense of \$9,000 per year with a 3% increase occurring each year over the next 5 years. Local banks and corporations have stopped grant programs starting in 2020. This is a loss of \$30,000 in income to HHS.

Currently, HNDP employs 1 full-time HUD certified housing counselor, 1 part-time HUD certified housing counselor and 1 part-time Director. If additional operating funds were available, HNDP could have 2 full-time HUD certified housing counselors. This would allow for more clients to receive services in a timely manner and HHS could expand the services it offers.

Please vote a favorable report for SB 387

Respectfully Submitted,

Vicki Bender

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HNDP/HHS
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