



**Testimony HB 58**  
**House Economic Matters**  
**February 5, 2021**  
**Position: FAVORABLE**

The Honorable Kumar Barve  
Chairman, House Environment and Transportation Committee  
House Office Building, Room 251  
6 Bladen Street  
Annapolis, MD 21401

RE: Support of House Bill 58 (Workgroup on Minority Homeownership, Neighborhood Revitalization, and Household Wealth Equity)

Dear Chairman Barve & Members of the House Environment and Transportation Committee:

This letter is on behalf of Housing Options & Planning Enterprises, Inc. (H.O.P.E) in support of House Bill 58 (Workgroup on Minority Homeownership, Neighborhood Revitalization, and Household Wealth Equity). H.O.P.E. is a 501(c) (3) non-profit, affordable housing developer, HUD certified housing counseling agency, and economic development corporation serving the residents across Prince George's, St. Mary's, and Charles Counties. H.O.P.E provides the community with expert comprehensive housing counseling and financial literacy, to help individuals and households qualify, obtain, and maintain housing that meets their needs.

HB 58 establishes the Workgroup on Minority Homeownership, Neighborhood Revitalization, and Household Wealth Equity; requiring the Workgroup to study and make recommendations to promote homeownership and create wealth-building opportunities for minority households and promote community revitalization through targeted investments in homeownership; requiring the Workgroup to report its findings and recommendations to the Governor and the General Assembly by December 1, 2021; etc.

Homeownership is a significant wealth-building source and a foundation for economic stability. Purchasing a home can provide housing stability and remove significant economic uncertainty in the form of fixed housing costs. These benefits are well documented, yet there is persistent inequality in access and attainment of homeownership across racial lines and less wealth accumulation for black households through homeownership. The black homeownership rate has persistently lagged that of white and other non-white families, a gap that has widened since the Great Recession in 2008.

Disparities in homeownership and access to credit contribute to cumulative wealth inequality. Black homeownership was 47 percent in 2020 and has yet to reach pre-2008 crisis levels. According to the U.S. Census Bureau, in 2019 the homeownership rate was 42.1 percent for Black, 47.5 percent for Latinx, and 73.4 percent for White households. Census estimates for the second quarter of 2020 report that the Black homeownership rate of 47.0 percent, and 76.0 percent for non Hispanic White households. The Black-white homeownership gap in 2020 was 26 percentage points, only slightly lower than the 26.8 percentage point gap in 1960, before the passage of the 1968 Fair Housing Act. Blacks are under-represented among owner households. The proportion of new Black homebuyers is less than half of the proportion of Black households in the U.S. (13 percent).

The challenge of staggered minority homeownership growth needs to be examined and addressed. Some of the obstacles that H.O.P.E. encounters with our clients are minimal state sponsored funding opportunities for down payment and closing cost assistance; not enough targeted marketing for low-income minority homeownership programs; lack of state and local subsidies for mortgages for those that are earning less than The Department of Housing and Urban Development (HUD) median income based on family composition; and the number of lenders that will offer incentive programs to homebuyers that move into white neighborhoods.

Community Revitalization is another area that needs to be expanded in the minorities communities to create viable living areas. Many minority developers lack capital and experience to create and build quality and affordable housing stock. Promoting training programs to assist minority developers on building affordable communities would help address the community revitalization efforts. The training would allow small minority developers to partner with other minority businesses to build in certain locations as well as create sustainable jobs for residents. Minority developers typically hire and give opportunities to other minorities which create livable wages. Community revitalization could flourish with more small minority businesses being able to respond to local needs and nuances of that community. H.O.P.E. tried to do their part in assisting with community revitalization by identifying areas in Prince George's county to deliver façade services to low-median income households and seniors; using minority contractors to create community value and a place that these seniors can age in place.

Housing Options & Planning Enterprises, Inc. respectfully give this measure a favorable report. The adoption of HB 58 will enhance the lives of many African Americans and other minorities that have a dream of homeownership, but the dream seems unobtainable given the current climate with the pandemic and already strained housing market. Establishing this Workgroup to study and make recommendations to promote homeownership and create wealth-building opportunities is crucial to our work as it will help foster strong participation of disadvantaged populations in the economic wealth of the community.

For more information about this favorable position, please contact Donna Hurley, CEO/President at 301-567-3330 or [Dhurley@hopefinancial.org](mailto:Dhurley@hopefinancial.org).

cc: House Environment and Transportation Committee Members