



**Testimony SB 245
Budget & Taxation Committee
January 25, 2022
Position: FAVORABLE**

Dear Chairman Guzzone & Members of the Budget & Taxation 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.

Under Senate Bill 245, the funding level for the NIMBL revolving loan fund will be 'restored' to 5% of the 1.5% of the state proceeds from video lottery terminals dedicated to the Small, Minority, and Women-Owned Businesses Account – NOT to exceed \$1,000,000. The NIMBL loan Fund is a revolving fund with loan repayments replenishing the Fund on a regular basis, and is still at its original \$187,500 amount. A small additional amount was authorized in the FY22 budget but has not yet been transferred to the fund.

Since its inception the NIMBL program has been ham-strung by the available funds – allowing only 7 loans to be in effect at one time. These loans are intended to be rapidly processed for organizations with immediate needs to start or continue services on behalf of government when their government funds are delayed. Promoting the program to organizations that may face a delay waiting "in a cue" would make no sense.

Nonprofit housing and community development organizations continually face delays in payments on grants or contracts. During the pandemic, in Baltimore City some organizations waited for more than 15 months for payments on their Community Development Block Grant payments. Organizations working to improve communities through housing counseling, legal services, housing development and human services all suffered delays. Delays make participation in government programs onerous for service providers, particularly smaller and younger nonprofits led by people of color.

We urge your favorable report.

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