



Testimony HB 929
House Environment and Transportation Committee
March 8, 2022
Position: FAVORABLE WITH AMENDMENTS

Dear Chairman Barve 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 929 establishes the Opportunity Zone Fund as a special non-lapsing fund; requiring interest earnings of the Fund to be credited to the Fund; requiring the Department of Housing and Community Development to use the Fund to operate and pay expenses of the Fund and to provide financial assistance to certain entities for projects and programs in opportunity zones; authorizing the Department to sell certain loans and interests without Board of Public Works approval; and generally relating to the Opportunity Zone Fund in the Department of Housing and Community Development.

The Opportunity Zone program is a nationwide initiative administered by the U.S. Treasury created under the 2017 Tax Cuts and Jobs Act. The program provides federal tax incentives for investment in distressed communities over the next 10 years. Areas designated as Opportunity Zones will be able to reap the benefits of new capital investment to help redevelop underserved communities.

This program has created considerable interest from the investment community but the promise of significant investment in disinvested communities across Maryland has not yet been realized. Having additional capital to attract new deals in communities could help to leverage more investment.

The Maryland General assembly should take a proactive approach to guide Opportunity Zone investments toward equitable growth and pandemic recovery. Investments should drive equitable growth and prosperity for current low-income residents and communities of color within the zones.

We ask for your FAVORABLE report on HB 929.

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